Historic Q4 and full-year 2022 results, MTP targets met

GCA AND CASA STATED AND UNDERLYING DATA 2022

	CRÉDIT AGRICOLE S.A.		CRÉDIT AGRICOLE GROUP	
	Stated	Underlying	Stated	Underlying
Revenues	€23,801m +5.5% 12M/12M	€23,733m +4.8% 12M/12M	€38,162m +3.6% 12M/12M	€37,682m +2.6% 12M/12M
Costs excl. SRF	-€13,932m +3.7% 12M/12M	-€13,822m +5.7% 12M/12M	-€23,650m +4.6% 12M/12M	-€23,476m +5.5% 12M/12M
GOI	€9,222m +4.4% 12M/12M	€9,264m +2.4% 9M/9M	€13,709m -0.2% 12M/12M	€13,403m -3.0% 12M/12M
Cost of risk	-€1,746m +10.8% 12M/12M	-€1,551m +25.9% 12M/12M	-€2,893m +31.9% 12M/12M	-€2,698m +45.9% 12M/12M
Net income Group share	€5,437m -7.0% 12M/12M	€5,468m +1.3% 12M/12M	€8,144m -10.5% 12M/12M	€7,909m -7.1% 12M/12M
C/I ratio (excl. SRF)	58.5% -0.7 pp 12M/12M	58.2% +0.5 pp 12M/12M	65.3% +1.0 pp 12M/12M	64.0% +2.1 pp 12M/12M

STRONG PERFORMANCE

- 1.9 million new customers in 2022 (net customer capture 382,000) in France, Italy and Poland
- RB, LCL and CA Italia loan production up +5.8% in 2022 (of which +0.4% for home loans and +15.6% for professionals/corporates)

HISTORIC Q4 RESULTS

- Record Q4 net income for CASA (+€1.5bn, +6.7% Q4/Q4)
- Strong revenue growth (+4.4% Q4/Q4) driven by all business lines

ALL MTP 2022 PROFITABILITY TARGETS EXCEEDED THIS YEAR

- Income €5.5 billion, up +1.3% vs a record 2021, despite higher risk costs
- 58.2% cost/income ratio, positive business-line jaws over the year despite inflation
- 12.6% RoTE, above the MTP target

DIVIDEND €1.05 PER SHARE

- 50% pay-out in cash, plus €0.20/share related to the 2019 dividend

CONTINUATION OF STRATEGIC OPERATIONS IN 2022

- Announcement of partnerships/acquisitions CACF/Stellantis, CACEIS/RBC, Banco BPM/CAA
- Presentation of the MTP “2025 Ambitions” and of Net Zero targets in financing, insurance and asset management

SOLID BALANCE SHEET, CET1 ON TARGET DESPITE THE RISE IN RATES

	CRÉDIT AGRICOLE S.A.		CRÉDIT AGRICOLE GROUP	
Phased-in CET1	11.2%	+20 bp Dec/Sept	17.6%	+40 bp Dec/Sept
	+3.3 pp > SREP		+8.7 pp > SREP	
	Dividend of €1.05 per share		€19.9bn CAG loan loss reserves 83% coverage ratio	

Dominique Lefebvre,
Chairman of SAS Rue La Boétie and Chairman of the Crédit Agricole S.A. Board of Directors

"Our up-to-date model, based on universality and utility, stands out through its capacity to meet the needs of all our customers, to contribute significantly to the financing of the real economy, and to support to societal transitions."

Philippe Brassac,
Chief Executive Officer of Crédit Agricole S.A.

"Strong and solid results, in a context of shocks and adaptation. They confirm the relevance of the Universal Customer-focused banking model, geared towards providing comprehensive answers to customers, adapted and faithful to their needs"

This press release comments on the results of Crédit Agricole S.A. and those of Crédit Agricole Group, which comprises the Crédit Agricole S.A. entities and the Crédit Agricole Regional Banks, which own 56.8% of Crédit Agricole S.A. Please see p.46 onwards of this press release for details of specific items, which are restated in the various indicators to calculate underlying income.

Crédit Agricole Group

Group activity

The Group recorded a strong commercial activity over the quarter across all business lines thanks to the customer focused banking model. Gross customer capture has been dynamic. In 2022, the Group recorded +1.9 million new customers in retail banking, and the customer base continued to grow (+380,000 customers) in line with the MTP Ambitions 2025 targets. More specifically, over the fourth quarter of 2022, the Group recorded +445,000 new retail banking customers and the customer base also grew (+40,000 customers). Loan production was also performing well in 2022, up +5.8% compared with 2021, with €172 billion in new loans at Regional Banks, LCL and CA Italia[1]. In France, new loans granted by the Regional Banks and LCL rose by +6.0% (of which +1.1% in home loans, +15.2% in corporate and professional loans and -1.8% in consumer finance). CA Italia loan production was up +2.3% (down -12.3% in home loans and up sharply +21.7% in professional and corporate loans excluding SGL and ecobonuses). Furthermore, the insurance equipment rate[2] remained high in the retail banking networks at the end of December 2022: 42.6% for Regional Banks, 27.1% for LCL, 21.2% for CA Italia, and 16.8% including Creval. Inflows remained steady in 2022[3] for all entities, with Amundi recording positive net inflows of +€7.0 billion between 31 December 2021 and 31 December 2022, CAA posting positive net inflows of +€3.2 billion, and Wealth Management (Indosuez Wealth Management and LCL Private Banking) recording positive net inflows of +€6.2 billion. Unit-linked net inflows saw positive insurance performance at +€6.5 billion in 2022[4]. Property and casualty insurance premium income increased by +5.5% in 2022[5] and personal protection insurance premium income increased by +5.6% over the same period[6]. Financing activities were also highly dynamic, notably in structured finance, and in capital markets and investment banking, particularly in FICC activities. Finally, in 2022, the Group continued to develop new offerings, including Propulse by CA, Flex by LCL, *J'Ecorénove mon logement* and the energy transition hub.

Each of the Group's business lines posted very strong levels of activity (see Infra).

Implementation of the medium-term strategy

The Group's organic growth drivers were set in motion in 2022. In 2022, the Group once again complemented this growth with strategic transactions, including three major strategic transactions that will generate more than 150 million in additional net income Group share by 2026.

Firstly, the framework agreements signed between CACF and Stellantis in the second quarter of 2022 will allow the group to become one of Europe's top five leaders in long-term leasing with more than 1 million vehicles under a long-term lease by 2026. CA Consumer Finance also intends to develop a pan-European multi-brand player in automotive financing, leasing and mobility, based on the expertise of FCA Bank and Leasys Rent, which it wholly owns, with a target of €10 billion in outstandings by 2026. This new entity would offer white label-products and would also target platforms, dealerships and short-term rental companies. The impact on the results of these operations will be neutral in 2023 and positive in 2025, while the impact on RWA will be limited.

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[1] Over the quarter, production was up +0.9% compared to the fourth quarter of 2021 for Regional Banks, LCL and CA Italia. In France, loan production was up +0.6%, to €40.8 billion, compared to the fourth quarter of 2021, including +5.5% for corporate and professional loans (excluding SGL), offsetting the -1.5% decline in home loan production and the -10.3% decline in consumer finance production in the fourth quarter of 2022. In Italy, loan production rose by 5.7% to €2.2 billion, including +5% in home loans and +6.3% in corporate loan production excluding SGL and ecobonuses.

[2] Car, home, legal, all mobile phones, or personal accident insurance

[3] Inflows were also dynamic on a quarterly basis, notably at Amundi (+€15.0 billion between 30 September 2022 and 31 December 2022) and Indosuez (+€0.9 billion)

[4] Unit-linked net inflows were also positive in the fourth quarter of 2022 at +€1.7 billion.

[5] Property and casualty insurance premium income increased sharply by +9.7% in the fourth quarter of 2022 compared to the fourth quarter of 2021.

[6] +5.5% compared to the fourth quarter of 2021

Secondly, the signing of an MoU for the acquisition by CACEIS of RBC's asset servicing activities in Europe, a transaction that will generate more than €100 million in additional net income by 2026 and will strengthen CACEIS's position as one of Europe's leaders with €4.8 trillion in assets under custody and €3.5 trillion in assets under administration Finally, the last strategic transaction concerns the strengthening of links between Crédit Agricole SA and Banco BPM, with Crédit Agricole SA acquiring a stake in Banco BPM in the second quarter, and the signing of an MoU between Crédit Agricole Assurances and Banco BPM in order to establish a long-term partnership in non-life insurance and creditor insurance in Italy. In addition to these three strategic transactions, there were also other partnerships, including CALEF's acquisition of a 30% stake in Watea by Michelin, and the signing of a commercial partnership for car insurance between Mobilize Financial Services, a Renault Group subsidiary specialising in services that facilitate access to automobiles, and Crédit Agricole Assurances.

Beyond the partnerships and acquisitions announced this year, Crédit Agricole S.A. once again demonstrated its strategic flexibility in 2022 with the disposals of Serbia and La Médicale (with the latter having a EUR +100 million impact on Crédit Agricole SA's results), and the disposal of controlling interest in Crédit du Maroc (disposal of a 63.7% stake with a positive impact of +10 percentage points on Crédit Agricole SA's fourth quarter CET1). At this stage, Crédit Agricole SA retains a residual stake of 15% in Crédit du Maroc, which will be disposed of by June 2024.

Finally, the year 2022 allowed Crédit Agricole to demonstrate once again that social responsibility and the Group's raison d'être, "Working every day in the interest of our customers and society", are fully integrated into its model. As such, the Group is fully committed to all its customers, from the most financially modest to the most affluent; it contributes to the development of all the territories,supports its customers through their their energy transition. Thus, through its entry-level offers[7], its offers for young people[8], and its actions to support vulnerable populations[9], the Group demonstrates its commitment to serving all its customers. Its contribution to the development of all regions is demonstrated by its position as the fist financier of the French, by the fact that nearly 80% of the Group's income is reinvested in the territoriess each year, as well as by its role as the first private investor in corporate equity and quasi-equity in the capital of French companies, by its financing of 310,000 primary residences in France in 2022[10], and its launch of the "Livret Engagé Sociétaire" accounts[11]. Finally, the Group is fully committed to supporting its customers through their energy transition[12] while decarbonating the economy and equipping all of society. Thus, strong, clear and immediate public commitments to accelerate the advent of renewable energy has been taken and two new business lines have been created CA Transitions and Energies on the one hand and CA Santé and Territories on the other hand .

Group results

In the fourth quarter of 2022, Crédit Agricole Group's **stated net income Group share** came to **€2,040 million**, down -13.3% compared to the fourth quarter of 2021.

Specific items for the fourth quarter of 2022 had a **negative net impact of -€13 million on net income Group share**. They include Crédit Agricole SA's specific items for the fourth quarter of 2022 for +€35 million detailed below, as well as the Regional Banks' specific items for -€48 million detailed below.

[7] EKO and LCL Essentiel (with around 200,000 customers), CAC Budget Protégé (with 130,000 customers), Propulse by CA for micro-entrepreneurs and with rate increases limited to 2% in 2022; end of penalties for customers with the CAC Budget Protégé offer

[8] Young adult rental home insurance at €6/month (with over 3,000 contracts since December 2022); Globe-trotter (409,000 customers)

[9] With Points Passerelle (more than 10,000 families supported in 2021); and an artificial intelligence tool for the early detection of financial fragility in order to better support vulnerable customers

[10] €375 million invested in 2022; three funds for the CARD, CA Transition and LCL Croissance regions: total target of €700 million

[11] More than 420,000 real estate transactions financed by the Regional Banks and LCL in 2022, out of a market of 1,110,000 in France

[12] Press release as at 7 December 2022

Specific items for the fourth quarter of 2021 had a **positive net impact of +€44 million on net income Group share**. They include Crédit Agricole SA's specific items for the fourth quarter of 2021 for -€17 million detailed below, as well as the Regional Banks' specific items for +€60 million detailed below.

Excluding these specific items, **Crédit Agricole Group's underlying net income Group share**[13] amounted to **€2,053 million**, a decline of -11.2% compared to the third quarter of 2021.

Crédit Agricole Group – Stated and underlying results, Q4-2022 and Q4-2021

€m	Q4-22 stated	Specific items	Q4-22 underlying	Q4-21 stated	Specific items	Q4-21 underlying	∆ Q4/Q4 stated	∆ Q4/Q4 underlying
Revenues	**9,434**	**(63)**	**9,497**	**9,500**	**120**	**9,380**	(0.7%)	+1.2%
Operating expenses excl. SRF	(6,164)	(84)	(6,080)	(6,109)	(297)	(5,812)	+0.9%	+4.6%
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	**3,270**	**(147)**	**3,416**	**3,391**	**(177)**	**3,568**	**(3.6%)**	**(4.2%)**
Cost of risk	(753)	-	(753)	(783)	(319)	(464)	(3.9%)	+62.2%
Equity-accounted entities	97	(8)	105	92	-	92	+4.6%	+13.4%
Net income on other assets	(13)	-	(13)	10	-	10	n.m.	n.m.
Change in value of goodwill	-	-	-	119	119	0	(100.0%)	(100.0%)
Income before tax	**2,600**	**(155)**	**2,755**	**2,829**	**(376)**	**3,205**	**(8.1%)**	**(14.0%)**
Tax	(344)	176	(520)	(269)	438	(707)	+27.7%	(26.5%)
Net income from discont'd or held-for-sale ope.	(27)	(14)	(13)	4	-	4	n.m.	n.m.
Net income	**2,229**	**7**	**2,222**	**2,564**	**61**	**2,503**	**(13.1%)**	**(11.2%)**
Non controlling interests	(189)	(20)	(169)	(210)	(18)	(192)	(9.8%)	(11.8%)
Net income Group Share	**2,040**	**(13)**	**2,053**	**2,354**	**44**	**2,311**	**(13.3%)**	**(11.2%)**
Cost/Income ratio excl. SRF (%)	**65.3%**		**64.0%**	**64.3%**		**62.0%**	**+1.0 pp**	**+2.1 pp**

In the fourth quarter of 2022, **underlying revenues** amounted to €9,497 million, up +1.2%, and +0.6% at constant scope[14], compared to the fourth quarter of 2021, thanks to sustained activity across all business lines, and despite negative market effects on stocks activities. **Underlying operating expenses excluding the Single Resolution Fund (SRF)** rose by 4.6% in the fourth quarter of 2022 to €6,080 million (+3.9% excluding scope effect), due in particular to the support of the development of the business lines and IT expenses, but also to the increase in compensation in an inflationary context. Overall, the Group's **underlying cost/income ratio excluding the SRF** recorded an increase of +2.1 percentage points to 64.0% in fourth quarter of 2022. **Underlying gross operating income** was down -4.2% to €3,416 million compared to the fourth quarter of 2021.

The **cost of credit risk** rose to -€753 million (including -€50 million in cost of risk on performing loans (stage 1 and 2), -€741 million in cost of proven risk (stage 3), notably due to a specific provision, +€38 million in other risks corresponding mainly to reversals of legal provisions), i.e. an increase of +62.2% compared to the fourth quarter of 2021. The provisioning levels were determined by taking into account several weighted economic scenarios, as in previous quarters, and by applying adjustments on sensitive portfolios. The weighted economic scenarios for the fourth quarter take into account the deterioration of the economic outlook, in particular with decreasing assumptions for GDP increase. The **cost of credit risk on outstandings**[15] **over a rolling four-quarter period stands at 25 basis points, which is the assumption of the Medium-Term Plan, despite an**

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13 See Appendixes for more details on specific items.

14 At constant scope: Lyxor (GEA) added in the fourth quarter of 2021

15 The cost of risk relative to outstandings (in basis points) on a four quarter rolling basis is calculated on the cost of risk of the past four quarters divided by the average outstandings at the start of each of the four quarters

underlying impact of Russia / Ukraine conflict of €691 million. It stands at 27 basis points on a quarterly annualised basis[16].

Underlying pre-tax income stood at €2,755 million, a year-on-year decrease of -14.0% from the fourth quarter of 2021. The underlying pre-tax income included the contribution from equity-accounted entities for €105 million (up +13.4%) and net income on other assets, which came to -€13 million in the second quarter. The underlying **tax charge fell -26.5%** over the period. Underlying net income before non-controlling interests was down -11.2% to €2,222 million. Non-controlling interests decreased -11.8%. Lastly, underlying net income Group share was €2,053 million, -11.2% lower than in the fourth quarter of 2021.

Crédit Agricole Group – Stated and underlying results, 2022 and 2021

€m	2022 stated	Specific items	2022 underlying	2021 stated	Specific items	2021 underlying	∆ 2022/2021 stated	∆ 2022/2021 underlying
Revenues	**38,162**	**480**	**37,682**	**36,822**	**92**	**36,730**	+3.6%	+2.6%
Operating expenses excl.SRF	(23,650)	(174)	(23,476)	(22,602)	(347)	(22,255)	+4.6%	+5.5%
SRF	(803)	-	(803)	(479)	185	(664)	+67.6%	+20.9%
Gross operating income	**13,709**	**306**	**13,403**	**13,741**	**(70)**	**13,812**	**(0.2%)**	**(3.0%)**
Cost of risk	(2,893)	(195)	(2,698)	(2,193)	(344)	(1,849)	+31.9%	+45.9%
Equity-accounted entities	419	(8)	427	392	5	387	+7.1%	+10.5%
Net income on other assets	28	-	28	(27)	(15)	(12)	n.m.	n.m.
Change in value of goodwill	-	-	-	497	497	0	(100.0%)	(100.0%)
Income before tax	**11,264**	**103**	**11,161**	**12,409**	**73**	**12,337**	**(9.2%)**	**(9.5%)**
Tax	(2,508)	59	(2,567)	(2,463)	616	(3,079)	+1.8%	(16.6%)
Net income from discont'd or held-for-sale ope.	116	80	36	6	3	3	x 19.3	x 13.2
Net income	**8,873**	**242**	**8,630**	**9,953**	**692**	**9,261**	**(10.9%)**	**(6.8%)**
Non controlling interests	(729)	(7)	(722)	(852)	(104)	(748)	(14.5%)	(3.6%)
Net income Group Share	**8,144**	**236**	**7,909**	**9,101**	**589**	**8,512**	**(10.5%)**	**(7.1%)**
Cost/Income ratio excl.SRF (%)	**62.0%**		**62.3%**	**61.4%**		**60.6%**	**+0.6 pp**	**+1.7 pp**

Over the full year 2022, stated net income Group share amounted to €8,144 million, versus €9,101 million for full year 2021, representing a decrease of -10.5%. As a reminder, the year 2021 was characterised by a base effect on net income Group share, which included +€473 million for the badwill and off-balance sheet DTA of Creval[17]. Excluding this effect, the decline in stated net income Group share would be limited to -5.6%.

Specific items for 2022 include the specific items of the Regional Banks for 2022 detailed in the Regional Banks section, and the specific items of Crédit Agricole S.A. for 2022 detailed in the Crédit Agricole S.A. section.

Excluding these specific items, **underlying net income Group share amounted to €7,909 million, down** -7.1% compared to full year 2021.

Underlying revenues were up **+2.6%** compared to 2021. Excluding scope effect[18], underlying revenues rose by +1.5%. This increase in revenues is explained in particular by the dynamic activity of the business lines, which offset the impact of the market effect on the stock business lines and the squeeze on net interest margins in a context of rapidly rising rates. More specifically, for Retail Banking, revenues were stable (-0.5% vs 2021) on the French market with dynamic fee and commission income but a lower net interest margin, the increase in refinancing costs being partially offset by the progressive repricing of assets; in international retail banking in Italy, revenues were supported by the increase in rates on reserves and production and the growth in fee and commission income received; in

[16] The cost of risk relative to outstandings (in basis points) on an annualised basis is calculated on the cost of risk of the quarter multiplied by four and divided by the outstandings at the start of the quarter

[17] +€422 million in net income Group share from Creval badwill, +€89 million in net income Group share from Creval off-balance sheet DTA, -€12 million in net income Group share from other adjustments related to the Creval integration, as well as -€26 million in net income Group share from IT upgrades and migrations

[18] Integration of Creval and Lyxor in 2021

international retail banking in Poland and Egypt, revenues were supported by the context of rising rates. For Asset Gathering, the evolution of insurance revenues reflects the increased recognition of the financial margin and the reversal of technical reserves. At the same time, private banking benefited from the rise in interest rates and the diversification of the product mix. Conversely, asset management revenues suffered from market effects, penalising management fee and commission income and performance fee and commission income. In Large Customers, corporate and investment banking revenues benefited from the strengthening of commercial positions, particularly in syndicated loans and bond issuance, and revenues from asset servicing were supported by a strong net interest margin. Specialised Financial Services were characterised by dynamic leasing revenues and consumer finance revenues driven by dynamic commercial production offsetting the contraction in margins.

Underlying **operating expenses** excluding SRF grew by +5.5% compared to 2021 – due in particular to support for the development of the business lines and IT expenses, as well as to the increase in compensation – and by +4.1% excluding scope effect. The cost/income ratio excluding SRF for 2022 thus stood at 62.3%, up +1.7 percentage point compared to 2021. The SRF totalled €803 million in 2022, up +20.9% compared to 2021. Note that the refund of an overpayment over financial years 2016–2021 was accounted for under specific items in the first quarter of 2021 for +€185 million. Underlying **gross operating income** totalled €13,403 million, down -3.0% compared to 2021.

The **cost of risk** for the year rose to -€2,698 million (of which -€959 million in cost of risk on performing loans (stage 1 and 2), -€1,831 million in cost of proven risk (normalisation of stage 3 cost of risk), and +€93 million in other risks corresponding mainly to reversals of legal provisions), i.e. an increase of +45.9% compared to 2021.

As at 31 December 2022, risk indicators confirm **the high quality of Crédit Agricole Group's assets and risk coverage level**. The diversified loan book is mainly geared towards home loans (46% of gross outstandings) and corporates (33% of gross outstandings). Loan loss reserves amounted to €19.9 billion at the end of December 2022 (€10.5 billion for Regional Banks), 42% of which represented provisioning for performing loans (48% for Regional Banks). The loan loss reserves for performing loans have increased at Group level by +€2.9 billion since fourth quarter 2019. The prudent management of these loan loss reserves has enabled the Crédit Agricole Group to have one of the best[19] overall coverage ratios for doubtful loans (82.9% at the end of December 2022) among the largest European banks.

Net income from other assets amounted to €28 million in 2022 compared to -€12 million in 2021, which mainly included the deconsolidation of Crédit Agricole CIB's Algerian subsidiary.

Underlying pre-tax income before discontinued operations and non-controlling interests fell by -9.5% to €11,161 million.

The tax charge was €2,567 million, down -16.6%, with an **underlying effective tax rate** of **23.9%**, down - 1.9 percentage point compared to 2021. The **underlying net income before non-controlling interests** was therefore down -6.8%.

Non-controlling interests amounted to -€722 million in 2022, down -3.6% in line with the decrease in underlying pre-tax income before discontinued operations and non-controlling interests.

Underlying net income Group share was therefore down -7.1% to €7,909 million.

[19] *Analysis based on 31/12 data for Crédit Agricole S.A. and the Crédit Agricole Group, as well as 30/09/2022 publications on customer loans, Stage 3 outstandings and Stage 1, 2 and 3 provisions from Banco Santander, Barclays, BNP Paribas, Crédit Suisse, Deutsche Bank, HSBC, Société Générale, Standard Chartered, UBS, and finally, from the 30/06/2022 Unicredit publication, Groupe BPCE and ING.*

Regional Banks

Regional Banks' activity was dynamic in 2022. **Gross customer capture increased** by +1,183,000 new customers (270,600 new customers in the fourth quarter) and **the customer base grew** by +215,800 new customers since the beginning of the year. **The share of customers using digital tools increased** to 73.7%[20] (+2.5 percentage points compared to end-December 2022) and the number of online signatures [21] increased by +85% between the fourth quarter of 2022 and the fourth quarter of 2021.

Loan production was up this quarter (+2.5% compared to the fourth quarter of 2021), driven largely by specialised markets[22] (+7.3% compared to the fourth quarter of 2021), and to a lesser extent by home loans (+1.1% compared to the fourth quarter of 2021). Furthermore, since the third quarter of 2022, the average customer loan production rate[23] has been higher than the average loan outstandings rate. The production rate[24] for housing loans was up 33 bps compared to the third quarter of 2022. **Loan outstandings** reached €631 billion at end December 2022, up +5.9% over the year, including +10.1% for corporates.

Total customer assets rose by +1.8% year on year to €854.9 billion at the end of December 2022. This growth was driven by on-balance sheet deposits, which reached €576.7 billion at the end of December 2022, up +4.1% compared to the end of December 2021 (including +11.6% for passbook accounts and +0.5% for time deposits). Off-balance sheet customer assets reached €278 billion, down -2.6% year-on-year due to the decline in stock markets over the year, but up +2.6% in the fourth quarter.

In the fourth quarter of 2022, the Regional Banks' underlying **revenues** stood at €3,428 million, down -4.7% compared to the fourth quarter of 2021, in line with the portfolio revenues being affected by unfavourable market effects and a slight decline in the interest margin. **Operating expenses excluding SRF** increased +5.5%. Underlying **gross operating income** fell by -23.6%. The **cost of risk** was up compared to the fourth quarter of 2022, amounting to -€307 million due to a provision of -€219 million for proven risks (Stage 3) in connection with a specific file which has fallen into default. As a result, the contribution of the Regional Banks to the Group's **underlying net income Group share** came to €510 million, a -42.1% decline from the fourth quarter of 2021.

Over the full year 2022, underlying **revenues** were slightly down (-1.7%) compared to 2021 (up +0.6% according to stated data) and up +2.6% compared to 2019, due to portfolio revenues being unfavourably impacted by market conditions, despite good momentum on fees and commissions (+3.1% compared to 2021). The interest margin was down compared to 2021 (up according to stated data, including the provision for home purchase savings of €411 million). **Operating expenses excluding SRF** rose by +4.3%, with the SRF amounting to -€156 million (+9.7%), and underlying **gross operating income** was down -13.1%. The underlying **cost/income ratio** excluding SRF amounted to 68.1%, up +3.9 percentage points compared to 2021; by including, in revenues, the amount of the Crédit Agricole S.A. dividend received by the Regional Banks in the second quarter of 2022, i.e. €1,652 million, the cost/income ratio stood at 60.8%. The underlying cost of risk increased by +87.7% to €1,136 million, due to an increase in prudent provisioning on performing loans (Stage 1 & 2) for -€689 million and an increase in proven risk in connection with a specific file which has fallen into default in the fourth quarter of 2022. **Cost of risk/outstandings** over a rolling four-quarter period remained low at 19 basis points; the non-performing loan ratio was low at 1.7% and the coverage ratio stood at 99.0% at the end of December 2022.

The Regional Banks' contribution to the Group's **underlying net income Group share** stood at €2,372 million for 2022, down -22.7% compared to 2021 and up +2.62% compared to 2019. The Regional Banks' contribution to the Group's **stated net income Group share** amounted to €2,630 million, down -17.4% compared to 2021 and down -8.7% compared to 2019.

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[20] *Number of customers with an active profile on the Ma Banque app or who had visited CAEL during the month/number of adult customers having an active demand deposit account*

[21] *Signatures initiated in BAM deposit mode (multi-channel bank access), Mobile customer portal or Ma Banque app*

[22] *Specialised markets: farmers, professionals, corporates and public authorities*

[23] *Average quarterly rates, all markets, all loans (fixed rate term loans in euros)*

[24] *Credit rate on monthly achievements. Only maturity loans, in euros and at a fixed rate, are taken into account*

Specific items in the fourth quarter of 2022 had a negative impact on the Regional Banks' **stated net income Group share** of -€48 million (negative impact of the restatement of CAGIP's restructuring costs for -€22 million, and negative impact of the illiteracy donation for -€26 million). In the fourth quarter of 2021, specific items had a positive impact of +€60 million on the Regional Banks' stated net income Group share (positive impact of the provision for home purchase savings of +€60 million).

Specific items in the full year 2022 had a positive impact on the Regional Banks' **stated net income Group share** of +€257 million (positive impact of the provision for home purchase savings for +€306 million, negative impact of CAGIP's restructuring costs for an amount of -€22 million, and negative impact of the illiteracy donation for -€26 million).

Specific items in the full year 2021 had a positive impact on the Regional Banks' **stated net income Group share** of +€116 million (positive impact of the provision for home purchase savings for +€85 million, positive impact of corrections on the contribution to the SRF for +€55 million).

Crédit Agricole SA

Results

Crédit Agricole S.A.'s Board of Directors, chaired by Dominique Lefebvre, met on 8 February 2023 to examine the financial statements for the fourth quarter and full year 2022.

Crédit Agricole S.A. – Stated and underlying results, Q4-2022 and Q4-2021

€m	Q4-22 stated	Specific items	Q4-22 underlying	Q4-21 stated	Specific items	Q4-21 underlying	∆ Q4/Q4 stated	∆ Q4/Q4 underlying
Revenues	**5,969**	**(63)**	**6,032**	**5,815**	**36**	**5,779**	**+2.7%**	**+4.4%**
Operating expenses excl.SRF	(3,561)	(20)	(3,541)	(3,720)	(297)	(3,423)	(4.3%)	+3.4%
SRF	-	-	-	-	-	-	n.m.	n.m.
Gross operating income	**2,408**	**(83)**	**2,491**	**2,094**	**(261)**	**2,356**	**+15.0%**	**+5.7%**
Cost of risk	(443)	-	(443)	(647)	(319)	(328)	(31.5%)	+35.1%
Equity-accounted entities	80	(8)	88	82	-	82	(2.0%)	+7.9%
Net income on other assets	(10)	-	(10)	(9)	-	(9)	+12.1%	+12.1%
Change in value of goodwill	-	-	-	119	119	0	n.m.	(100.0%)
Income before tax	**2,035**	**(91)**	**2,126**	**1,640**	**(461)**	**2,100**	**+24.1%**	**+1.2%**
Tax	(224)	160	(384)	9	462	(453)	n.m.	(15.2%)
Net income from discont'd or held-for-sale ope.	(27)	(14)	(13)	4	-	4	n.m.	n.m.
Net income	**1,784**	**55**	**1,729**	**1,652**	**1**	**1,651**	**+8.0%**	**+4.7%**
Non controlling interests	(228)	(30)	(198)	(224)	(8)	(216)	+1.6%	(8.3%)
Net income Group Share	**1,557**	**25**	**1,531**	**1,428**	**(7)**	**1,435**	**+9.0%**	**+6.7%**
Earnings per share (€)	**0.49**	**0.01**	**0.48**	**0.46**	**(0.00)**	**0.46**	**+6.5%**	**+4.1%**
Cost/Income ratio excl. SRF (%)	**59.7%**		**58.7%**	**64.0%**		**59.2%**	**-4.3 pp**	**-0.5 pp**

In the fourth quarter of 2022, Crédit Agricole S.A.'s **stated net income Group share** amounted to **€1,557 million**, an increase of +9.0% from the third quarter of 2021.

Specific items for the quarter had a cumulative impact of +€25 million on net income Group share, and included recurring accounting items for an impact of -€45 million on net income Group share. These include the following items: recurring accounting volatility items in revenues, such as the DVA (Debt Valuation Adjustment), the issuer spread portion of the FVA, and secured lending for -€18 million in net income Group share, and the hedging of the loan book in the Large Customers segment for -€28 million in net income Group share. Specific items also include non-recurring items for an impact of +€70 million on net income Group share. They include the Affrancamento-Reallineamento tax gain in international retail banking for an impact of +€114 million on net income Group share, transformation costs in connection with the agreement between Crédit Agricole Consumer Finance and Stellantis for -€16 million in net income Group share, CAGIP transformation costs with an impact of -€13 million on net income Group share, as well as the IFRS 5 reclassification of Crédit du Maroc as an asset held for sale, with an impact of -€14 million on net income Group share.

Specific items from the fourth quarter of 2021 had a cumulative impact of +€7 million on net income Group share. They included: recurring volatile accounting items in revenues, such as the DVA (Debt Valuation Adjustment, i.e. gains and losses on financial instruments related to changes in the Group's issuer spread) amounting to +€1 million in net income Group share, hedges on the Large Customers loan book for +€3 million in net income Group share, and provisions for home purchase savings plans in the amount of +€22 million in net income Group share. In addition to these recurring items, there were items recognised in CA Italia's results for Creval: finalisation of the recording of net badwill for €90 million in net income Group share, recording of off-balance sheet deferred tax assets for €80 million in net income Group share, technology infrastructure upgrade and IT migration costs for Creval, amounting to -€12 million in net income Group share, and other miscellaneous Creval adjustments for -€11 million in net income group share. In addition to these items, there were actions to improve the quality of CA Italia's assets, including the impact of the disposal of a gross portfolio of €1.5 billion and additional provisions on CA Italia's portfolio for -€161 million in net income Group share, the launch of a Next Generation HR plan for CA Italia and the associated job protection plan for €97 million in net income Group share, the exceptional contribution by CA Italia to the Italian banks safeguard plan for -€13 million in net income Group share, and the "Affrancamento" gains related to exceptional tax provisions in Italy for the non-accounting revaluation of goodwill and its amortisation for €45 million in net income Group share for CA Italia. Also recognised as specific items were the Lyxor acquisition costs for -€8 million in net income Group share in asset management, transformation costs related to the Turbo project, the Caceis transformation and development plan for -€12 million in net income Group share in Asset servicing, and finally the "Affrancamento" gains in Specialised financial services for AGOS for +€66 million in net income Group share.

Excluding specific items, **underlying net income Group share**[25] stood at **€1,531 million** in fourth quarter 2022, a 6.7% rise over fourth quarter 2021. The fourth quarter of 2022 was therefore Crédit Agricole S.A.'s best underlying fourth quarter since its listing.

In fourth quarter 2022, **underlying revenues** stood at €6,032 million, up sharply (+4.4%) compared to fourth quarter 2021, which itself was an excellent quarter. This growth was driven by all business lines (revenues from business lines excluding the Corporate Centre division were up 11.0%). Revenue growth for fourth quarter 2022 was consistent with the steady growth in Crédit Agricole S.A.'s quarterly revenues over the past five years, thanks to the diversity of the business lines.

Underlying operating expenses excluding SRF totalled €3,541 million in fourth quarter 2022, an increase of €118 million, or +3.4% (and +3.5% for the expenses of the business lines, excluding Corporate Centre). Excluding scope effect (integration of Lyxor in 2021), this increase is brought down to +2.2% compared to fourth quarter 2021 (i.e. +€77 million), and to +2.2% (i.e. +€71 million) as well for the expenses of the business lines, excluding Corporate Centre.[26] Jaws were positive by +0.9 percentage point.

The cost/income ratio excluding SRF thus stood at 58.7% in fourth quarter 2022, an improvement of - 0.5 percentage point compared to fourth quarter 2021.

Gross underlying operating income in fourth quarter 2022 totalled €2,491 million, a rise of 5.7%. Excluding scope effect (integration of Lyxor in 2021), this was a +5.0% increase compared to fourth quarter 2021 and a +20.3% increase for the business lines, excluding Corporate Centre.

As at 31 December 2022, risk indicators confirm **the high quality of Crédit Agricole S.A.'s assets and risk coverage level**. The diversified loan book is mainly geared towards home loans (27% of gross outstandings) and corporates (46% of Crédit Agricole S.A. gross outstandings). The non performing loans ratio remained low at 2.7%. The coverage ratio,[27] high at 70.0%, fell by -3.2 percentage points in the quarter, due to a specific default during the quarter, with a limited adjustment made to the cost of risk in light of loan provisioning when such loans were recognised under performing loans. **Loan loss reserves** amounted to €9.3 billion for Crédit Agricole S.A., relatively unchanged from end September 2022. Of those loan loss reserves, 35% were for performing loan provisioning. Loan loss reserves for performing loans were up +€1.3 billion compared with fourth quarter 2019.

The **cost of risk** shows a net provisioning of -€443 million (+35.1%/-€115 million compared to fourth quarter 2021 when it stood at -€328 million). The expense of -€443 million in fourth quarter 2022 consists of a provision reversal against performing loans (Stages 1&2) for +€53 million (versus an allocation of -€20 million in fourth

[25] Underlying, excluding specific items. See Appendixes for more details on specific items.
[26] Corporate Centre expenses in 2022 related to the volatility of intra-group transactions with the Regional Banks in Q1-2022.
[27] Provisioning rate calculated with outstandings in Stage 3 as denominator, and the sum of the provisions recorded in Stages 1, 2 and 3 as numerator.

quarter 2021), provisioning for proven risks (Stage 3) for -€521 million (versus -€277 million in fourth quarter 2021, an increase related primarily to a specific default), and -€24 million in other items, essentially corresponding to reversals of legal provisions in capital markets and investment banking. In fourth quarter 2022, the cost of risk/outstandings over a rolling four-quarter period[28] was 32 basis points, and 36 basis points on an annualised quarterly basis.[29]

The underlying contribution **of the equity-accounted entities** stood at €88 million in fourth quarter 2022, up +7.9% from fourth quarter 2021. **Net income on other assets** stood at -€10 million in fourth quarter 2022, relatively unchanged from fourth quarter 2021 when it was -€9 million.

Underlying income[30] before tax, discontinued operations and non-controlling interests was up +1.2% to €2,126 million. The **underlying effective tax rate** stood at 18.8% (-3.6 percentage points compared to fourth quarter 2021), while the underlying tax charge fell by -15.2% to -€384 million. Net income on discontinued operations came in at -€13 million, versus +€4 million in fourth quarter 2021. **Underlying net income before non-controlling interests** was therefore up +4.7%. **Non-controlling interests** amounted to -€198 million in fourth quarter 2022, down -8.3%.

Underlying net income Group share was up +6.7% compared to fourth quarter 2021 at €1,531 million.

Underlying earnings per share in fourth quarter 2022 were **€0.48**, up +4.1% compared to fourth quarter 2021.

[28] The cost of risk relative to outstandings (in basis points) on a four quarter rolling basis is calculated on the cost of risk of the past four quarters divided by the average outstandings at the start of each of the four quarters

[29] The cost of risk relative to outstandings (in basis points) on an annualised basis is calculated on the cost of risk of the quarter multiplied by four and divided by the outstandings at the start of the quarter

[30] See Appendixes for more details on specific items.

Crédit Agricole S.A. – Stated and underlying results, 2022 and 2021

€m	2022 stated	Specific items	2022 underlying	2021 stated	Specific items	2021 underlying	∆ 2022/2021 stated	∆ 2022/2021 underlying
Revenues	**23,801**	**68**	**23,733**	**22,657**	**7**	**22,651**	**+5.0%**	**+4.8%**
Operating expenses excl.SRF	(13,932)	(110)	(13,822)	(13,429)	(347)	(13,082)	+3.7%	+5.7%
SRF	(647)	-	(647)	(392)	130	(522)	+65.2%	+24.0%
Gross operating income	**9,222**	**(42)**	**9,264**	**8,836**	**(210)**	**9,047**	**+4.4%**	**+2.4%**
Cost of risk	(1,746)	(195)	(1,551)	(1,576)	(344)	(1,232)	+10.8%	+25.9%
Equity-accounted entities	371	(8)	379	373	5	368	(0.6%)	+3.0%
Net income on other assets	15	-	15	(51)	(15)	(36)	n.m.	n.m.
Change in value of goodwill	-	-	-	497	497	0	(100.0%)	(100.0%)
Income before tax	**7,862**	**(245)**	**8,107**	**8,080**	**(67)**	**8,147**	**(2.7%)**	**(0.5%)**
Tax	(1,662)	150	(1,812)	(1,236)	640	(1,876)	+34.5%	(3.4%)
Net income from discont'd or held-for-sale ope.	116	80	36	5	3	2	n.m.	n.m.
Net income	**6,316**	**(15)**	**6,331**	**6,849**	**577**	**6,273**	**(7.8%)**	**+0.9%**
Non controlling interests	(880)	(17)	(863)	(1,005)	(130)	(876)	(12.5%)	(1.5%)
Net income Group Share	**5,437**	**(32)**	**5,468**	**5,844**	**447**	**5,397**	**(7.0%)**	**+1.3%**
Earnings per share (€)	**1.68**	**(0.01)**	**1.69**	**1.84**	**0.15**	**1.69**	**(8.5%)**	**+0.3%**
Cost/Income ratio excl.SRF (%)	**58.5%**		**58.2%**	**59.3%**		**57.8%**	**-0.7 pp**	**+0.5 pp**

Over the full year 2022, stated net income Group share amounted to €5,437 million, versus €5,844 million for full year 2021, a decrease of -7.0%.

Specific items in full year 2022 had a negative impact of **-€32 million** on stated net income Group share. In addition to the fourth quarter items already mentioned above, items for the first nine months of 2022 had a negative impact of -€57 million on stated net income Group share and included recurring volatile accounting items, i.e. the DVA, FVA and secured lending for +€4 million, and coverage of Large Customers loan books for +€43 million. In addition the following non recurrent specific elements were recorded the provision for equity risk in Ukraine for -€195 million, the gain on the disposal of La Médicale for +€101 million, changes in the provision for home purchase savings plans for +€63 million, Lyxor and Creval integrations costs for -€46 million, the exceptional provision on moratoria in Poland for -€17 million, or the reclassification of Crédit du Maroc to assets held for sale for -€10 million.

Specific items for 2021 had a positive impact of +€447 million on stated net income Group share due to recurring volatile accounting items, specifically the DVA for +€4 million, hedges of the Large Customers loan book for - €12 million, and changes in the provision for home purchase savings plans for +€15 million. Added to this were the following items: the excess SRF contributions paid for financial years 2016 to 2020 for +€130 million; Creval badwill for +€376 million; the impact of the disposal of the wealth management businesses in Miami and Brazil for +€2 million within the Wealth Management sub-division; the reclassification of CA Serbia as assets held for sale (IFRS 5) for -€4 million; Credito Valtellinese acquisition and integration costs for -€24 million; other Creval adjustments for -€11 million; costs of the CA Italia Next Generation HR Plan (voluntary redundancy plan) for - €97 million; costs of integration of Kas Bank and S3 by CACEIS for -€2 million; Lyxor acquisition costs for -€8 million; transformation costs related to the LCL New Generation Network project at LCL for -€9 million, and to the Turbo project and the CACEIS transformation and development plan for -€23 million; the exceptional contribution to the Italian banks' safeguard plan for -€13 million; the sale of receivables and additional provisioning for CA Italia's loan book for -€161 million; additional provisioning for Creval performing loan outstandings for -€19 million; the Affrancamento gains related to exceptional tax provisions in Italy for the non-accounting revaluation of goodwill and its amortisation amounting to +€222 million in net income Group share for the IRB (+€73 million), AG (+€78 million) and SFS (+€71 million) divisions, and lastly, the Creval off-balance sheet DTA for +€80 million.

Excluding specific items, **underlying net income Group share** came in at €5,468 million, up +1.3% from 2021.

Underlying earnings per share were €1.69, stable compared to the full year 2021.

Underlying RoTE[31]**,** which is calculated on the basis of an annualised underlying net income Group share[32] and IFRIC charges linearised over the year**,** net of annualised Additional Tier 1 coupons (return on equity Group share excluding intangibles) and restated for certain volatile items recognised in equity (including unrealised gains and/or losses), reached **12.5% for the first nine months of 2022**, -0.6 percentage point from the first nine months of 2021. In 2022, the underlying RoTE[31] of Crédit Agricole S.A. is more than 2.5 percentage points greater than that of a sample of ten European banks[33].

Underlying revenues rose by +**4.8%** year-on-year, with revenue growth in all divisions (increase of +6.5% for the business lines, excluding Corporate Centre), despite unfavourable market effects impacting asset activities, more specifically the Asset Gathering division. Excluding Corporate Centre, and excluding scope effect, business line revenues were also up by +4.6% in 2022. The increase in revenues was due to strong business momentum across all business lines. As regards to the Asset Gathering division, the increase in insurance revenues was due to the increased recognition of the financial margin and the reversal of technical reserves. At the same time, private banking benefited from higher interest rates and a diversified product mix. By contrast, asset management revenues were adversely impacted by market effects, which penalised management and performance fees, even though revenues recovered in the fourth quarter to show an increase of +4.4% compared to third quarter 2022. In Corporate and Investment Banking, revenues benefited from the boost in the division's commercial positions, particularly in syndicated loans and bond issues. Asset servicing revenues were sustained by the net interest margin which offset market effects on loans. In the Specialised Financial Services division, consumer finance revenues were sustained by brisk business production which offset the contraction in margins, while leasing and factoring revenues were driven by the high level of factored revenues. In Retail Banking, revenues in France benefited from strong momentum in fee and commission income. The net interest margin held steady, as gradual asset repricing offset higher refinancing costs. In International Retail Banking in Italy, revenues were supported by the increase in interest rates and higher fee and commission income. In IRB outside Italy, revenues were driven by the net interest margin as interest rates rose, particularly in Poland and Egypt. In the Corporate Centre division, revenues decreased due to the effect of inflation on ALM, to the elimination of intragroup securities purchased by Predica and Amundi, and to the end of the special interest period on TLTRO.

Underlying **operating expenses** excluding SRF were up +5.7% compared to 2021. Excluding scope effect,[34] the business lines' operating expenses (i.e. excluding Corporate Centre) were up +3.0% (or +€377 million). This increase, which enabled to support the business lines' development, was related to a foreign exchange impact of +€110 million; to an increase in IT costs and investment of around +€190 million; and to an increase in payroll of around +€130 million, which included most notably a +€28 million value sharing bonus. At constant scope, jaws were positive in 2022 by +1.6 percentage points, the increase in the business lines' revenues having exceeded the increase in expenses. Corporate Centre expenses were up +€76 million, reflecting the volatility of intra-group transactions with the Regional Banks in first quarter 2022.

[31] See details on the calculation of the business lines' RoTE (return on tangible equity) and RONE (return on normalised equity) on p. 51.

[32] The annualised underlying net income Group share corresponds to the annualisation of the underlying net income Group share (Q1x4; H1x2; 9Mx4/3) by restating each period for IFRIC impacts to linearise them over the year

[33] Arithmetic mean of 10 major European banks: Société Générale; BNP Paribas; Santander; UniCredit; Crédit Suisse; UBS; Deutsche Bank; HSBC; Standard Chartered; Barclays. Ratio floored at 0% when the ROTE is negative. Data used for HSBC, Standard Chartered, Barclays and Crédit Suisse are based on the 30/09/2022 reporting

[34] Creval (in International retail banking) and Lyxor (in Asset gathering) added in 2021

The **underlying cost/income ratio excluding SRF** in 2022 reached 58.2%. The cost/income ratio was therefore lower than the ceiling set by the Medium Term Plan of 60% per year. Since 2017, the cost/income ratio[35] of Crédit Agricole S.A. has remained more than 6 percentage points below than that of a sample of ten European banks[36].

The underlying SRF for 2022 totalled €647 million, up +24.0% compared to 2021.[37] Underlying **gross operating income** thus totalled €9,264 million, a rise of +2.4%.

Lastly, the **underlying cost of risk** came in at -€1,551 million, rising during the period by +25.9%/-€320 million. This compares to -€1,232 million for full year 2021. The increase in 2022 was due to the €113 million increase in provisioning for performing loans (€155 million in 2021 vs €268 million in 2022), largely related to provisioning following the outbreak of the Ukraine/Russia war in first quarter 2022[38] (provisioning of €419 million for performing loans in 2022, plus €270 million for defaults in 2022). It also included the €374 million increase in provisioning for proven risk, which returned to normal after a year of very low proven risk costs. That provisioning rose from €993 million in 2021 to €1,367 million in 2022 (quarterly average for 2022 comparable to that of 2019). Proven risk in 2022 include an impact of war in Ukraine since first quarter and impact of a specific file in the fourth quarter. The increase was offset by reversals against other risks totalling €168 million and corresponding to reversals of provisions in 2022 for legal risks in corporate and investment banking vs depreciations in 2021 especially in Italy.

The contribution from **equity-accounted entities** was up +**3.0%** to €379 million, the main contributors being Specialised Financial Services partnerships.

Net income on other assets stood at +€15 million in 2022 compared to -€36 million in 2021. The 2021 contribution mainly came from the deconsolidation of Crédit Agricole CIB's Algerian subsidiary.

Underlying income before tax, discontinued operations and non-controlling interests therefore fell slightly by -0.5% to €8,107 million.

The tax charge was €1,812 million, down -3.4%, with an **underlying effective tax rate** of **23.4%**, which was - 0.7 percentage point lower than in 2021. **Underlying net income before non-controlling interests was therefore up by +0.9%.**

Non-controlling interests amounted to -€863 million in 2022, a drop of -1.5% in line with the decline in underlying income before tax, discontinued operations and non-controlling interests. **Underlying net income Group share increased by +1.3% to €5,468 million.**

[35] *In order to be certain about comparable data, the comparison with the sample of European banks was made on the basis of a reported cost/income ratio, including SRF.*

[36] *Société Générale; BNP Paribas; Banco Santander; UniCredit; Crédit Suisse; UBS; Deutsche Bank; HSBC; Standard Chartered; Barclays. . Data used for HSBC, Standard Chartered Barclays and Crédit Suisse are based on the 30/09/2022 reporting*

[37] Note that the refund of an SRF overpayment for financial years 2016–2021 was recognised in the amount of €130 million under specific items in first quarter 2021.

[38] The €113 million increase in provisioning on performing loans does not include the €195 million provisioned in the first quarter of 2022 against the value of Crédit Agricole S.A.'s shares in Crédit Agricole Ukraine. That provision has been restated in underlying income.

Analysis of the activity and the results of Crédit Agricole S.A.'s divisions and business lines

Activity of the Asset Gathering division

In the fourth quarter of 2022, Asset Gathering (AG) activity was strong in the market environment that remains difficult. Assets under management stood at €2,415 billion, slightly up by +0.5% compared to the end of September 2022. The quarter was highlighted by strong positive net inflows of +€15.3 billion, of which +€15 billion in Asset Management and +€0.3 billion in Wealth Management, as well as a scope effect of -€0.9 billion linked to the disposal of Brazil in Wealth Management and a negative market and foreign exchange impact of - €2.1 billion.

At the end of December 2022, the €2,415 billion in assets under management were down by -6.4% year on year. Net inflows were positive in 2022 at +€13.2 billion, driven by a good level of inflows in treasury products and medium and long-term assets (MLT), after a record level of net inflows at +€71 billion in 2021. Over the full year 2022, market movements had a very unfavourable impact on the evolution of assets under management (market and foreign exchange effects stood at -€182 billion over the period, out of which -€167 billion for Asset Management). Excluding double counting, assets under management stood at €2,138 billion at 31 December 2022, down -5.2% compared to 31 December 2021.

Insurance activity (Crédit Agricole Assurance) remained dynamic in the fourth quarter of 2022 and the business line continued its growth and diversification both in France and internationally. At the end of December 2022, total premium income reached €35.3 billion[39], down -3.1%[39] compared to 2021.

The fourth quarter of 2022 was highlighted by several important events for Crédit Agricole Assurance (CAA):

- The signing of a master agreement between Banco BPM and CAA to establish a long-term distribution partnership for non-life and creditor insurance in Italy;
- The launch of the Crédit Agricole Assurance Retraite complementary professional retirement fund;
- The signing of a commercial partnership for car insurance with Mobilize Financial Services, Renault Group's non-life insurance subsidiary.

Savings / Retirement activity was impacted by the economic and financial environment, with premium income reaching €25.4 billion[39], down -6.6% year-on-year[39]. Gross inflows amounted to €6.5 billion this quarter, with a record unit-linked share of 44.3% (+6.6 percentage points compared to the third quarter of 2022 and +2.3 percentage points compared to the fourth quarter of 2021). Net inflows were zero this quarter, with the decline in net inflows in euro-denominated contracts (-€1.7 billion) fully offset by positive unit-linked inflows (+€1.7 billion).

Outstandings (savings, retirement and death and disability) remained stable over one year (+0,5%) at €321 billion, with a share in euro outstandings up +1.2% compared to the end of December 2021. Unit-linked contracts accounted for 25.6% of assets under management, up +0.8 percentage point compared to September 2022, but down -1.2 percentage points over one year in connection with the decline in equity markets.

The **policyholders' deferred profit sharing rate** on Predica's and Crédit Agricole Assurance Retraite's euro-denominated policies stood at 2.32% at the end of 2022, up +106 percentage points compared to the end of 2021. Finally, the **Policy Participation Reserve** (PPE[40]) amounted to €12 billion at 31 December 2022, representing 5.7% of total euro outstandings.

Property and casualty insurance activity was dynamic, with a premium income of €5.2 billion[39] at the end of December 2022, up +8.3%[39] compared to the end of 2021 and +9.7%[39] compared to the fourth quarter 2021. At the end of December 2022, the portfolio of property and casualty policies totalled nearly 15.3 million[41], a +3.5% increase over one year at constant scope[39]. The equipment of individual customers in the banking networks of

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[39] *Excluding La Médicale*

[40] *Scope "Life France"*

[41] *Scope: property and casualty in France and abroad*

Crédit Agricole Group was stable compared to the end of December 2021 for the Regional Banks (42.6%, - 0.1 percentage point) and up for LCL (27.1%, +0.5 percentage point), and CA Italia (21.2%, +2.2 percentage points; 16.8% including the Créval customer base). In addition to traditional activities (home, legal protection, personal accident, car), the growth of property and casualty insurance activity in the fourth quarter 2022 was driven by a new car insurance offer in Italy designed to protect customers in all forms of mobility as well as by a home insurance offer at a unique rate of €6 per month for young tenants launched in France in December 2022. The combined ratio stood at 98.5%, a deterioration of +2.1 percentage points over the year, marked by several major weather events in France.

In **death & disability/creditor/group insurance**, premium income in 2022 stood at €4.7 billion[42], up +6.4% compared to 2021[42], with creditor insurance activity still supported by a favourable real estate market (+8%) and good performance in consumer finance (+6%). Over the quarter, production was dynamic, with premium income up by 5.5% at constant scope[42].

Asset Management (Amundi) reported a resilient fourth quarter, with positive inflows, particularly in treasury products excluding JVs and medium and MLT assets, in markets that remain difficult.

Assets under management reached €1,904 billion at the end of December 2022 (as a reminder, Lyxor outstandings were included for the first time as of 31 December 2021 for €148 billion), up slightly by +0.5% compared to 30 September 2022. Over the year, assets under management were down by -7.7%, with positive inflows in MLT assets only partially offsetting the strongly unfavourable market and foreign exchange effets over the year (-€167 billion).

Retail recorded a very good level of activity in partner networks in France and internationally in the fourth quarter of 2022 (+€2.6 billion in MLT assets), particularly in structured products and bonds, which showed a good level of inflows since the third quarter of 2022. Over the year, partner networks also showed a good activity, mainly driven by third-party distributors with positive inflows in MLT assets excluding JVs (+€6.5 billion).

Institutional investor inflows were very positive in the fourth quarter of 2022 (+€20.2 billion), driven by treasury products (+€17.2 billion) and by MLT assets excluding CA & SG insurers (+€8.3 billion). Over 2022, a very positive performance of MLT assets excluding JVs only partially offsets the outflow in treasury products.

Asian JV activity was positive in 2022 (+€14 billion), driven by a very strong inflows from the Indian JV, which maintained its leading position in the local market. Over the quarter, JV activity recorded an outflow of - €6.2 billion, mainly due to the continued withdrawal of institutional investors in China in an adverse economic environment.

Amundi Technology continued its development, primarily by increasing the number of its customers (+8 new customers in 2022).

In wealth management[43], total assets under management (CA Indosuez Wealth Management and LCL Private Banking) amounted to €190 billion at the end of December 2022 (including €130 billion for Indosuez Wealth Management), and were stable compared to the end of September 2022. For Indosuez Wealth Management, the quarter was marked by a very high level of net inflows at +€0.9 billion, and by a scope effect of -€0.9 billion linked to the disposal of Brazil.
Over 2022, outstandings were down -2.4%, with very high inflows of +€6.2 billion (including a record level of +€4 billion for Indosuez Wealth Management), only partially offsetting the very strong negative market and foreign exchange impact (-€10 billion over 2022).

[42] Excluding La Médicale
[43] LCL Private Banking and Indosuez Wealth Management

Results of the Asset Gathering division

Since 31 December 2021, **Asset Gathering** (GA) has experienced several scope effects: the sale of La Médicale to Generali in July 2022 on behalf of Crédit Agricole Assurance and the integration of Lyxor on behalf of Amundi from 1 January 2022.

Thus, in the fourth quarter of 2022, at current scope, AG generated the **underlying revenues** of €1,937 million, up +20.5% compared to the fourth quarter of 2021. In addition to the scope effect related to the integration of Lyxor, the increase is explained by a very good level of revenues in insurance and wealth management activities. Expenses increased by +11.0% at current scope. Thus, the underlying cost/income ratio excluding SRF stood at 41.1%, down -3.5 percentage points compared to the fourth quarter of 2021. Gross operating income stood at €1,142 million, up +28.1% compared to the fourth quarter of 2021. Tax was up +85.9% due to the 2021 base effect on the scope of the insurance business lines[44]. The **underlying net income Group share** of AG stood at **€705 million**, up +15.6% compared to the fourth quarter of 2021. The decline in asset management income (-10.7%) was more than offset by the increase in insurance (+31.1%) and wealth management (+9.3%) income.

Over 2022, at current scope, in addition to the scope effect related to the integration of Lyxor, AG's dynamic activity allowed it to achieve the **revenue** growth of +5.5% over one year to €6,885 million. Costs excluding SRF were up +9.2%, in connection with the integration of Lyxor, but also with investments in IT projects. **Gross operating income** and **pre-tax income** increased by +2.3%. Tax increased by +10.4%, mainly due to a 2021 base effect[44]. The **underlying cost/income ratio** stood at 47.4%, up +1.6 percentage points compared to 2021. AG thus posted an **underlying net income Group share**, of €2,415 million, up +2.8% compared to 2021. The increase in insurance activities (+11.8%) and wealth management (+9.5%) income offset the decline in asset management (-12.9%) mainly related to the unfavourable base effect from the exceptional level of performance fees in 2021.

Over 2022, Asset Gathering division contributed by 39% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding the Corporate Centre division) and by 29% to underlying revenues excluding the Corporate Centre division.

As at 31 December 2022, equity allocated to the division amounted to €12.4 billion, including €10.7 billion for Insurance, €1.2 billion for Asset management, and €0.4 billion for Wealth management. The division's risk weighted assets amounted to €36.7 billion, including €19.5 billion for Insurance, €12.4 billion for Asset management and €4.7 billion for Wealth management.

The division's **underlying RoNE** (return on normalised equity) stood at 22.1% for full year 2022, versus 24.4% for full year 2021.

Insurance results

In the fourth quarter of 2022, **underlying insurance revenues** reached €910 million, up +51.1% (+43.6% at constant scope[45]) compared to the fourth quarter of 2021, mainly due to the reversal of technical reserves (compared to a provision in the fourth quarter of 2021) that more than offset the lower recognition of the financial margin. Underlying costs increased by +26.7% (stable at constant scope[45]), mainly due to IT and employee expenses. **Underlying gross operating income** stood at €741 million, a sharp increase of +58.0% compared to the fourth quarter of 2021. The underlying cost/income ratio stood at 18.6%, down -3.6 percentage points compared to the same period in 2021. The tax charge was -€238 million, up sharply from -€79 million in the fourth quarter of 2021, due in particular to a very low tax rate in the fourth quarter of 2021[44]. As a result, the **underlying net income Group share** was €483 million, up +31.1% compared to the fourth quarter of 2021.

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[44] For the Crédit Agricole Assurance scope, the 2021 financial year benefited from a reduced effective rate, notably in connection with the disposal of securities at the reduced-tax rate.

[45] Excluding La Medicale; as a reminder, base effect in Q4-21 due to the transition of La Médicale to IFRS5 (revenues -€31m, costs +€35m, net income Group share +€4.9m)

Over **2022, underlying revenues** reached €2,900 million, up +13.7% (+14.7% at constant scope[46]compared to 2021). Indeed, the increase in the recognition of the financial margin, the reversal of technical reserves, as well as the positive impact on 2022 revenues of the total unwinding of the Switch guarantee made it possible to offset a negative market effects and increased claims. **Expenses** increased +8.9% (+9.8% at constant scope[46]) driven primarily by an increase in taxes related to growth in premium income adversely affecting the C3S[47], as well as to the costs associated with business development. The cost/income ratio therefore stood at 27.1%, down -1.2 percentage points compared to 2021. **Underlying gross operating income** increased by +15.6% compared to 2021, amounting to €2,114 million. The **tax charge** for 2022 increased by +40.1% to -€483 million, mainly due to the increase in the effective tax rate compared to 2021[48]. **Net income from discounted or held-for-sale operations** stood at €17 million, due to the finalisation of the disposal of La Médicale in the third quarter of 2022. Lastly, **underlying net income Group share** reached €1,572 million, an increase of +11.8% compared to 2021 (at current and constant scope). Including the +€101 million in gains from the disposal of La Médicale, the stated net income Group share amounted to €1,673 million.

Concerning the shift of the insurance activities to the IFRS 17 accounting standards from the 1st of January 2023, the impact on the results of Crédit Agricole Assurance is expected to be limited. The decline in the cost/income ratios announced in the 2025 Medium Term Plan, i.e. lower than 15% for Crédit Agricole Assurance and lower than 59% for Crédit Agricole S.A. is confirmed. Finally, the recognition of the "internal margins" effect at the time of the consolidation of the insurance activities at the level of Crédit Agricole will be accounted through the Corporate Centre division, which should further contribute to a larger reduction of the cost/income ratio of Crédit Agricole SA.

Insurance contributed 25% to the underlying net income Group share of the Crédit Agricole S.A. core businesses (excluding Corporate Centre division) over the year 2022 and 11% to underlying revenues.

Crédit Agricole Assurances also demonstrated its solidity and resilience with a Solvency 2 regulatory prudential ratio still high at 204% at 31 December 2022.

Asset management results

In fourth quarter 2022, **underlying revenues** reached €770 million, down -0.9% from fourth quarter 2021 (-7.7% at constant scope[49]), but definitely up from third quarter 2022 (+4.4%). Net management fees remained stable from fourth quarter 2021 (-6.6% at constant scope[49], due to the market effect on customer assets). Performance fees were down from the exceptional level recorded in 2021, but posted a very solid level over the last quarter of 2022. **Underlying operating expenses** stood at €423 million, up +7.1% (-3.0% at constant scope49). Thus, the **underlying cost/income ratio excluding SRF** was 55.0%[50]. **Underlying gross operating income** decreased by -9.2%. The contribution from equity-accounted entities, comprising the contribution from the Amundi joint ventures in Asia, stood at €24 million, up +12.5%, and the underlying tax charge amounted to -€87 million, a decrease of -5.5%. Lastly, **underlying net income Group share** decreased by -10.7% to €187 million.

Over the year 2022, **underlying revenues** totalled €3,056 million, down -2.6% from financial year 2021 (-8.8% at constant scope[49]), due to the unfavourable low effect related to the exceptional level of performance fees in 2021. Excluding this effect, the underlying revenues were up, compared to 2021. **Net management fees** were up from 2021 by +7.6% and stable at constant scope[49], at nearly €3 billion. The **level of performance fees** returned to normal at €171 million compared with the exceptional level of 2021 (€440 million including Lyxor in 2021). **Underlying operating expenses excluding SRF** rose by +9.2%, but were stable at constant scope[49] thanks in particular to the first synergies generated with Lyxor. The **underlying cost/income ratio excluding SRF** was 55.8%, up +6.0 percentage points (+4.6 percentage points at constant scope) compared to the full year

[46] *Excluding La Medicale*

[47] *Corporate social welfare tax*

[48] *For the Crédit Agricole Assurance scope, the 2021 financial year benefited from a reduced effective rate, notably in connection with the disposal of securities at the reduced-tax rate.*

[49] *Constant scope: including Lyxor*

[50] *52.1% excluding amortisation expense on intangible assets*

in 2021 (which benefited from the very high performance fees). Thus, gross operating income fell by -14.3%. The revenues of the equity-accounted entities was €88 million, an increase of +4.6%. All in all, **net income Group share** stood at €730 million, a decrease of -12.9%.

Asset management contributed 12% to the underlying net income Group share of the Crédit Agricole S.A. business lines (excluding Corporate Centre division) over 2022 and 13% to their underlying revenues.

At 31 December 2021, equity allocated to Asset management was €1.2 billion and risk-weighted assets totalled €12.4 billion.

Wealth management results[51]

Underlying revenues from wealth management totalled €258 million in fourth quarter 2022, an increase of +12.5% over fourth quarter 2021 (+9.8% at constant foreign exchange rates), supported by the growth in deposits in a context of higher rate, thus limiting the negative market effects on revenues. **Underlying costs excluding SRF** reached €203 million, with a contained increase of +8.3% (+4.9% at constant foreign exchange rates) primarily due to the adjustment in variable compensation based on the results for the year. Thus, **jaws** were very positive this quarter at +4.3 percentage points (+4.9 percentage points at constant foreign exchange rates) and the **underlying cost/income ratio** decreased by -3.1 percentage points to 78.9% in fourth quarter 2022. Underlying gross operating income, excluding SRF, rose by +31.9% to €54 million. **Underlying net income Group share** reached €35 million, the highest historical level in ten years, up +9.3% compared with fourth quarter 2021.

Over the year 2022, the **underlying revenues** of the wealth management business line totalled €929 million, a +10.5% increase over 2021 (+7.1% at constant foreign exchange rates), driven by the strong commercial momentum and the increase in the interest margin that offset the unfavourable market effects on stocks. **Costs excluding SRF** were up +9.5% (+5.5% excluding the foreign exchange impact) at €771 million, primarily related to IT and digital investments and also to variable compensation. Jaws over 2022 were positive at +1.0 percentage point (+1.5 percentage point at constant foreign exchange rates). **Underlying gross operating income** was up +16.1% at €155 million. Finally, **net income Group share** reached €113 million, an increase of +9.5% over the year in 2022, the highest historical level in ten years.

Asset management contributed 2% of the underlying net income Group share of Crédit Agricole S.A.'s business lines (excluding Corporate Centre division) over 2022 and 4% to their underlying revenues.

At 31 December 2021, equity allocated to Wealth management was €0.4 billion and risk-weighted assets totalled €4.7 billion.

Activity of the Large Customers division

Corporate and Investment Banking (CIB) as a whole posted a record performance for the fourth quarter and for the year 2022.

In the fourth quarter, **underlying revenues** were up to €1,436 million, or +14.8% compared to fourth quarter 2021 (+12.4% excluding the foreign exchange impact). This growth was driven by the strong performance of **financing activities** at €824 million, i.e. +9.9% compared to fourth quarter 2021 (+5.3% at constant foreign exchange rates). Structured financing activities at €326 million rose +27.2% compared to fourth quarter 2021 in all business segments. Commercial banking recorded more mixed results with continued strong growth in the International Trade & Transaction Banking segment in a context of rates returning to positive and strong customer

[51] *Indosuez Wealth Management scope*

demand, which offset the decline in the Corporate & Leveraged Finance segment. At €498 million, its revenues grew by +0.8% over fourth quarter 2021. **Capital markets and investment banking** at €612 million was supported by an excellent commercial momentum and grew by +22.1% from fourth quarter 2021 (+22,8% excluding foreign exchange impact), as the market effects of the third quarter were less pronounced this quarter. Investment banking also posted a strong quarter at €104 million (+17.4% over fourth quarter 2021), drawn by the strong results of the Equity Solutions products.

Over the full year in 2022, the Corporate and investment bank thus strengthened its commercial positions with underlying revenues up +11.3% over 2021 at €5 735 million (+7.3% at constant foreign exchange rates). Underlying revenues in **financing activities** increased to €3,101 million in 2022, up +11.7% over the full year in 2021 and (+5.9% excluding the foreign exchange impact). Financing activities thus strengthened its leading position in syndicated loans (#1 in France[52] and #2 in EMEA[52]) and was ranked #4 in project finance loans worldwide[52]. Revenues from **capital markets and investment banking** were up to €2,634 million over financial year 2022, i.e. +10.8% over 2021 and +9.0% excluding the foreign exchange impact. CACIB reaffirmed its **leading positions** in bond issues, becoming #3 All bonds in EUR Worldwide[52], and returning to #1 Green, Social & Sustainable bonds in EUR[53]. Average regulatory **VaR** was stable from third quarter 2022 at €19.1 million for fourth quarter 2022, versus €6.4 million in fourth quarter 2021 (and €10.9 million in fourth quarter 2020), reflecting the market and interest rate shocks over the period. However, it remained at a low level, reflecting **prudent risk management**.

On 17 October 2022, CACEIS announced it was entering into a Master Agreement stipulating CACEIS's potential acquisition of RBC's investors services activities in Europe. This was confirmed with the signing of a binding agreement (SPA) by the two parties end December 2022. With this acquisition, CACEIS will strengthen its position among the world leaders in asset servicing, becoming #1 in Europe in assets under administration with nearly €3,500 billion[54] and #2 in assets under custody at €4,800 billion[54]. This transaction will also diversify the customer profile by lowering the portion of French customers to 50%, primarily in favour of customers from English-speaking countries and Luxembourg.

The completion of the transaction is subject to the usual conditions precedent, including the applicable regularly approvals. This transaction is in line with the Group's development targets and will respect our profitability criteria with an expected return on investment of more than 10% over 3 years thanks to the realisation of synergies. After integration costs, the additional net income (before non controlling interest) expected in 2026 would be higher than €100 million. The transaction will have a negative impact of less than -10 basis points on the CET1 of Crédit Agricole S.A. and Crédit Agricole Group[55] at the closing date planned for third quarter 2023.

The year-end also saw the formation of Uptevia on 1 January 2023, a 50/50 joint venture combining the issuer services business lines[56] of CACEIS and BNP Paribas. This new entity fulfils the aim of providing a specialised, enhanced and evolving services offer to Corporate customers in France, by building on a robust and agile architecture and dedicated teams.

In fourth quarter 2022, the very significant market effects of recent quarters on the assets of **Asset servicing** (CACEIS) declined slightly. **Assets under custody (AuC)** rose by +2.9% at end December 2022 compared to end September 2022 (down -10.7% from end December 2021), to reach €4,090 billion. **Assets under administration (AuA)** were up +3.0% over the quarter (-9.7% year-on-year), to €2,172 billion at end December 2022. The momentum of the customer business was not enough to offset the impact of long term rates or equity markets evolution on assets.

52 Refinitiv
53 Bloomberg
54 Based on 31 March 2022 figures; for assets under administration
55 Estimated on figures as at 30 June 2022
56 Operational register keeping, organisation of general meetings and other services to issuers in France

Results of the Large Customers division

In **fourth quarter 2022**, the underlying **revenues** of the Large customers division amounted to €1,775 million, up +13.7% compared to fourth quarter 2021, buoyed by an excellent performance in the corporate and investment banking activities and the asset servicing business lines. **Operating expenses excluding SRF** rose slightly over fourth quarter 2021 (+5.1%), benefiting from economic effects and mitigating the impact of the increase in expenses related to the activity. Thus**, gross operating income** for the division recorded strong growth (+27.0%) over the quarter. The division recorded an overall net provision for cost of risk of -€15 million in fourth quarter 2022, including reversals of legal provisions and additional provisions on Russian exposures, compared to a provision of -€1 million in fourth quarter 2021. Pre-tax income totalled €755 million, up significantly by +23.5%. The tax charge increased by +6.1% to €163 million. Lastly, **net income Group share** reached €418 million in fourth quarter 2022, an increase of +30.2%.

Over 2022, underlying **revenues** of the Large Customers division was €7,012 million, an increase of +10.8% over 2021. **Operating expenses excl. SRF** increased by +6.8% to €3,905 million, reflecting support for growth and IT investments (including the enhancement of the F/O platform and improvement in the e-business offer in capital markets). **SRF expenses** recorded a net increase of +34.7% compared with 2021 at €442 million. Therefore, **gross operating income** for the period amounted to €2,665 million, an increase of +13.6% over 2021. The **cost of risk** over 2022 was a net allocation of -€251 million compared with an allocation of -€39 million over 2021, essentially because of the impact of the Russia/Ukraine war and its consequences for provisions on performing loans in 2022 (allocation of -€374 million on stage 1 and 2 Russian exposures). The business line's contribution to underlying **net income Group share** was at €1,709 million, up +4.9% compared to 2021.

The business line contributed 28% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses (excluding Corporate Centre division) over the year 2022 and 30% to **underlying revenues** excluding Corporate Centre.

At 31 December 2022, the **equity allocated** to the division was €13.3 billion and **risk weighted assets** were €139.5 billion.

The business line's underlying **RoNE** (Return on Normalised Equity) stood at 12.5% for the full year 2022 (versus 13.1% for 2021).

Corporate and Investment banking results

In **fourth quarter 2022, underlying revenues** of Corporate and investment banking posted a record performance of €1,436 million, an increase of +14.8% over fourth quarter 2021 (+12.4% at constant foreign exchange rates) carried by all its business lines. Underlying **operating expenses excluding SRF** were up +8.2% (+6.4% at constant foreign exchange rates) to -€779 million, reflecting human resources and IT and investments in accordance with Medium term plan strategy and encompassing a positive tax effect. **Gross operating income** reached a high level of €657 million, an increase of +23.6% over fourth quarter 2021 (+20.6% at constant exchange rates) and the cost/income ratio was 54.2%. The **cost of risk** recorded a net provision of -€12 million, compared to a provision of -€2 million in fourth quarter 2021, which can be explained by the provisioning on credit risk of -€62 million and a reversal of legal risk provisions of +€39 million in capital markets and investment banking. Provisions for credit risks include additional provisions on Russian exposures in the amount of €127 million. Lastly, **pre-tax income** in fourth quarter 2022 stands at +€664 million, up +21.5% compared with fourth quarter 2021. The tax charge is -€148 million. In the end, underlying **net income Group share** was €485 million in fourth quarter 2022, an increase of +30.0% over fourth quarter 2021.

Risk-weighted assets at end December 2022 declined sharply by -€13.8 billion compared with end September 2022 in line with controlled organic growth and favourable external impacts (-€9.9 billion including foreign exchange impacts – market and credit), to €130.2 billion.

In 2022, underlying **revenues** also posted a record performance and climbed by +11.3% compared to 2021, to €5,735 million, up +7.3% at constant exchange rates. Underlying **expenses excluding SRF** increased by +9.1% (+6.3% at constant exchange rates), related to the organic growth strategy and business development of CIB, whereas SRF expenses were up more significantly in the financial year, by +30.2% to -€384 million. Thus, underlying **gross operating income** at €2,328 million was up sharply (+11.7% compared to 2021; +5.8% at constant exchange rates), and the cost/income ratio (excluding SRF) was 52.7%. The cost of risk recorded an accrual of -€248 million in 2022, in keeping with the provisioning of Russian exposures (provisions of -€536 million on Russian exposures, of which -€374 million for performing loans), compared to -€47 million in 2021. The tax charge was -€515 million, up +10.8%, and the contribution from the business line to **net income Group share** was up by +1.9% to €1,530 million.

Asset servicing results

In fourth quarter 2022, underlying **revenues** of asset servicing were up a strong +9.3% compared to fourth quarter 2021, to €339 million. This increase was mainly due to the good performance of the interest margin over the period (+72.6%), linked to the cash management activity, which benefited from the rise of interest rates and offset the decline in fee and commission income resulting from the market impact on assets. Underlying **operating expenses** excluding SRF were down to -€222 million (-4.5%), but stable at constant scope[57] at +0.2%. They benefited from the streamlining of real estate costs, which helped absorb IT investments. As a result, underlying **gross operating income** was up sharply by +49.9% to €118 million in fourth quarter 2022. The quarter also posted -€8.4 million in net income for other assets due to the acquisition of the European operations of RBC Investor Services. Underlying **net income** totalled €88 million, a rise of +31.0%. After sharing €28 million with non-controlling interests, the business line's contribution to underlying **net income Group share** during fourth quarter 2022 was up +31.8% year-on-year to €60 million.

Underlying **revenues** for 2022 were up +8.2% compared to 2021, driven by the increase in the net interest margin (+35.2%), which offset the decline in fee and commission income linked to the drop in assets and flow activities, which nevertheless remained high. Underlying expenses **excluding SRF** were under control at -€882 million, down slightly compared to 2021 (-0.4%), thanks in particular to the impacts of the operational efficiency plan, in which the HR transformation costs were provisioned in 2021. **SRF expenses** were up +74.6% compared to 2021, to -€58 million. Thus, underlying **gross operating income** was up +29.2% compared to 2021, and underlying **net income** was up +25.2%. The overall contribution of the business line to **net income Group share** in 2022 was €180 million, a +26.0% increase.

[57] *Excluding impact of first consolidation of CACEIS Fonds Services GmbH in fourth quarter 2021*

Specialised financial services activity

In fourth quarter 2022, the **commercial production** of Crédit Agricole Consumer Finance (CACF) continued to show strong momentum at €12.1 billion, or +7.9% in fourth quarter 2022 compared to fourth quarter 2021, driven by very strong activity in automotive joint ventures (+25.2%). **In 2022**, consumer finance production was €47.8 billion, up +10.5% from 2021, also driven by automotive partnerships (+16.1%) and operations in Italy (+18.0%).

Commercial production in leasing of Crédit Agricole Leasing and Factoring (CAL&F) in the **fourth quarter 2022** experienced a cyclical slowdown of -6.4% compared to fourth quarter 2021. Commercial factoring production also fell by -50.4%, compared with a record fourth quarter 2021 that had seen the signing of several major customers. In **2022**, production in leasing was up +8.9% to €7.4 billion, driven by excellent renewable energy sector production, which again exceeded €1 billion. However, factoring production was down to €16.5 billion (-9.6%).

A major component of the division's activity this year was the continuing implementation of the agreement between CACF and Stellantis, which is expected to enter into force in second quarter 2023. CAL&F also continued to integrate Olinn and to implement new offerings and new growth initiatives such as CAL&F's acquisition of a stake in Watèa (50/50 joint venture with Michelin in long-term rentals of electric vehicles for small businesses) and the launch of the ESG impact factoring service for large corporates, which offers price incentives based on CSR criteria.

At end December 2022, CACF's total outstandings therefore stood at €103.0 billion, i.e., +11.4% compared to end December 2021. Leasing outstandings were €17.6 billion at end December 2022 (of which €14.1 billion in France and €3.5 billion abroad), i.e., +8.4% compared to end December 2021. Factored revenues for the quarter jumped to €31.2 billion, up by +17.1%, due to the economic recovery and the ramp-up of the pan-European platform. Over the year, factored revenues exceeded €100 billion, reaching €115.4 billion, up +26.4% from 2021.

Specialised financial services' results

Underlying revenues of specialised financial services were €710 million in fourth quarter 2022, up +2.9% compared to fourth quarter 2021. This resulted from stable CACF revenues as margins continued to shrink but production grew, and, for CAL&F, from an increase in factored revenues and the inclusion of Olinn in the scope. Underlying expenses excluding SRF totalled -€359 million, i.e., a +2.2% increase. Underlying **gross operating income** was up (+3.6%), while the underlying **cost/income ratio** excluding SRF remained low at 50.6% (- 0.4 percentage point). The underlying **cost of risk** was up +7.1% compared to fourth quarter 2021 but remained contained. Underlying net income Group share totalled €198 million, up by +14.5%.

In 2022, underlying revenues in **Specialised Financial Services** increased by +3.1%[58] compared to 2021, driven by a strong performance at CACF and CAL&F. Underlying **expenses excluding SRF** were up +4.3%. The underlying cost/income ratio excluding SRF remained low at 51.9%, an increase of +0.6 percentage point. The **contribution to the SRF** amounted to -€34 million for 2022, an increase of +47.9%. The **underlying cost of risk** therefore rose by +5.5% to -€533 million. The underlying contribution of equity-accounted entities increased by +4.6% to €316 million. Underlying **net income Group share** was therefore up +4.0% to €767 million.

The business line contributed 12% to the **underlying net income Group share** of Crédit Agricole S.A.'s core businesses (excluding Corporate Centre division) in 2022 and 12% to **underlying revenues** excluding Corporate Centre.

[58] inc. Olinn acquired by CAL&F in Q4 2021 (in 2022, underlying GOI of €5.2m with revenues of €30.9m and expenses of -€25.7m; excluding Olinn, 2022/2021, revenues +4.3%, expenses excl. SRF +7.5% / In Q4, revenues +6.7%, expenses excl. SRF +9.6% – NB: CACF Spain fully consolidated since Q3 2021; Q1 and Q2 21% to 50% as equity-accounted entities

At 31 December 2022, the **equity allocated** to the division was €5.6 billion and the division's **risk-weighted assets** were €58.9 billion.

The business line's underlying **RoNE** (return on normalised equity) was 14.5% for the full year 2022 (versus 15.2% for 2021).

Consumer finance results

CACF's underlying revenues were €530 million in fourth quarter 2022, stable compared to the same period in 2021, as margins continued to shrink – with a gradual rise in customer rates and continued rise in refinancing costs – but with production climbing. Expenses excluding SRF were down -2.7% compared to fourth quarter 2021 benefitting from a one-off positive impact in the quarter. Underlying gross operating income was thus €268 million, up +2.8%, and the underlying cost/income ratio excluding SRF remained low at 49.4%, down -1.4 percentage points compared to fourth quarter 2021. Underlying cost of risk remained contained at -€122 million**,** up +1.4%, and measures to tighten the loan approval policy are currently being implemented.namely in France and Italy The cost of risk on outstandings was thus 125 basis points[59] for the quarter. After integrating the cost of risk of automotive joint ventures, this cost stood at 99 basis points for the quarter. The non-performing loans ratio was 5.0%, stable compared to end September 2022, and the coverage ratio was 86.3%, down -2 percentage points compared to end September 2022. The underlying contribution of equity-accounted entities was €76 million (+13.5%) up across the business line's three joint ventures. Underlying taxes were -€44 million in fourth quarter 2022, an increase of +21.5%. Underlying net income Group share totalled €151 million in fourth quarter 2022, up by +14.1%.

In 2022, underlying **revenues** were €2,126 million, up +1.4% from 2021, with buoyant activity and increase in outstandings, particularly in the automotive sector, offsetting pressure on the margins following the gradual but delayed rise in customer rates. Underlying expenses excluding SRF increased by +1.0% to €1,079 million, and the SRF contribution was -€16 million (+65.3% compared to 2021). The underlying **cost/income ratio** excluding SRF remained low at 50.7%, a decline of -0.2 percentage point. Underlying gross operating income was €1,031 million, up +1.1%. The underlying cost of risk increased by +7.9% and reached -€480 million. The cost of risk on outstandings therefore stood at 127 basis points[60]in 2022. After integrating the cost of risk of automotive JVs, it stood at 100 basis points for the year, the non-performing loan ratio stood at 5.0%, stable compared to end December 2021, and the coverage ratio reached 86.3%, down – 2.1 percentage points compared to end December 2021. The contribution of **equity-accounted entities** rose by +4.6% in underlying terms, to €316 million. All in all, the business line's contribution to underlying **net income Group share** amounted to €595 million for 2022, up +0.5% in underlying terms.

Leasing & Factoring results

Underlying revenues were €180 million, up +12.5% compared to fourth quarter 2021 due to higher factored revenues and the integration of Olinn (revenues up +6.7% at constant scope). Underlying expenses excluding SRF were up by +18.0% (9.6% at constant scope) due mainly to the increase in wages and fees, and IT investments related to the economic situation and growth in business activity. The **underlying cost/income ratio excluding SRF** was 54.1%, an improvement of +2.5 percentage points compared to fourth quarter 2021. Underlying **gross operating income** totalled €83 million, up +6.6% (+3.7% at constant scope). Underlying **cost**

[59]Cost of risk on an annualised quarterly basis

[60] Cost of risk for the last four quarters as a proportion of the average outstandings at the beginning of the period for the last four quarters

of risk remained low, at €23 million, and underlying **net income Group share** was €47 million, up +15.8% (+10.2% at constant scope).

In 2022, underlying **revenues** were €655 million, up +9.4% (+4.3% at constant scope) from end December 2021 thanks to buoyant factoring activity that offset the tightening of the margins of the leasing operations. Underlying **expenses excluding SRF** were up +15.6% (+7.5% at constant scope) with activity growth and related IT investments, and a rise in compensation. The contribution to the SRF amounted to -€18 million (+35.0%). Thus, underlying **gross operating income** stood at €273 million, up +0.9% (decline of -1.0% at constant scope). The underlying cost/income ratio excluding SRF worked out at 55.6%, up +3.0 percentage points. Underlying cost of risk totalled -€53 million, down -11.9%. Lastly, underlying net income Group share was €172 million, up +18.4% (+15.7% at constant scope).

Crédit Agricole S.A. Retail Banking activity

The Crédit Agricole S.A. **Retail banking** activity was strong this quarter, driven at LCL by the production of corporate loans and loans to small businesses, and at Crédit Agricole Italia by strong activity across all segments.

LCL's commercial activity was buoyant throughout 2022. Loan production remained strong in fourth quarter 2022 compared to fourth quarter 2021 (-6%[61]), driven by activity in the small businesses market (+6%). Home loan production was down (-10%) amid a slowdown in loan applications (-17% drop in home loan production according to Banque de France), with an increase of +50 basis points of the loan rate between third quarter 2022 and fourth quarter 2022 at LCL. In 2022, loan production at LCL was very robust, totalling €41.8 billion – an increase of +17.5% compared to 2021 – driven by corporate loans (+33.8%) and loans to small businesses (+22.6%).

Outstanding loans totalled €164.3 billion at end December 2022 and were up +9.1% from end December 2021, including +8.9% for home loans, +8.6% for loans to small businesses, +11.4% for corporate loans and +4.2% for consumer finance. Customer assets, which totalled €236.2 billion at end December 2022, were also up: by +1.6% compared to end December 2021, driven by on-balance sheet deposits (+4.3%) from the increase in passbooks and time deposits, and despite off-balance sheet savings, which fell by -4.1% due to an unfavourable market effect.

Gross customer capture amounted to 342,300 new clients over the year (78,900 in the fourth quarter), and the increase in the customer base was 40,200 customers over the year. Lastly, the equipment rate for car, home, health, legal, all mobile phones or personal accident insurance rose by +0.5 percentage point compared to the fourth quarter of 2021, standing at 27.1% at the end of December 2022.

In terms of offerings, 2022 saw the launch of a 100% digital offering, LCL Essentiel Pro, with extra-banking services for micro-entrepreneurs and self-employed professionals; the introduction of Flex, an innovative solution for instant mini-loans on the mobile application; the development of new partnerships within the framework of smart business; and outstandings to €1,9 billion in funds LCL Climate impact and LCL society and solidarity impact.

CA Italia's activity was strong over the year and highly dynamic in the fourth quarter of 2022, benefiting from the diversification of the Group's activities in Italy. Gross customer capture over twelve months thus reached 150,000 new customers[62]. Loan outstandings at CA Italia reached €60 billion at the end of December 2022, up +1.1% compared to the end of December 2021. The production of corporate loans[63] and consumer finance[64] was

[61] Excluding state-guaranteed loans

62 Net customer capture: 22,500 clients

[63] Excluding "Ecobonuses", the production of which increased 2.6 times that of all twelve months of 2021. "Ecobonuses" correspond to refinancing of the customer tax credit: Italian tax deductions for renovation, energy efficiency and building safety, introduced in 2021. Excluding SGL.

[64] Agos

dynamic, respectively reaching +6.3% compared to fourth quarter 2021 and +21.7% compared to all twelve months in 2021, and +15.0% compared to fourth quarter 2021 and +26.6% compared to all twelve months of 2021. Home loan production was resilient in a declining market in Italy over all twelve months of 2022, but rebounded in fourth quarter 2022 (+5% compared to fourth quarter 2021), allowing CA Italia to gain market share year-on-year (7.1% in fourth quarter 2022 compared to 6.2% in third quarter 2022). Customer assets at end December 2022 amounted to €111.9 billion, down -3.4% compared to end December 2021 due to a negative market effect on managed savings and a decline in on-balance sheet savings despite positive inflows from individuals, professionals and private banking.

CA Italia's equipment rate in car, multi-risk home, health, legal, all mobile phones or personal accident insurance increased to 21.2%, or 16.8% including Creval.

2022 was marked by the finalisation of the integration of the Credito Valtellinese banks and the merger of CA FriulAdria into CA Italia, allowing synergies to be strengthened with the other Crédit Agricole Group entities and the completion of the *Banca Unica* Project. CA Italia has strengthened its customers' energy transition journey by launching two ESG products dedicated to the agri-food sector: *Agri Energia* is a line of financing to support corporates in the construction, expansion and upgrade of sustainable energy production facilities, while *Agri Blu* aims to finance renovations and the purchase of machinery and equipment for the management of energy, irrigation and waste water, supply cycles, and the processing and distribution of products.

CA Italia was awarded the title of "Top Employer Italia 2023" for the 15th consecutive year. This recognition rewards Italian corporates that are leaders in human resources management.

For International Retail Banking excluding Italy, loan outstandings were down -46.1% at end December 2022 compared to end December 2021, and customer assets were down -39.7% over the same period.

Excluding disposed entities[65] and Ukraine, i.e. while considering Poland and Egypt, loan outstandings were up by +8.8% at constant exchange rates (-2.6% at current exchange rates) and customer assets by +12.0% at constant exchange rates (-1.0% at current exchange rates) over the same period. In particular, in Poland, loan outstandings increased by +5.5% between end December 2022 and end December 2021 (+7.5% at constant exchange rates) and customer assets by +5.8% over the same period (+7.8% at constant exchange rates). In Egypt, loan outstandings were impacted by the devaluation of the Egyptian pound in Q4 and fell by -23.7% between end December 2022 and end December 2021 (+13.5% at constant exchange rates) and customer assets by -15.7% over the same period (+25.3% at constant exchange rates). The surplus of deposits over loans in Poland and Egypt amounted to €2.4 billion at 30 December 2022, and reached €3.3 billion including Ukraine.

Finally, the Group continues to expand its universal customer-focused banking model in Poland. Gross customer capture stood at 228,000 new customers in the country in 2022 (net customer capture of 104,000 customers).

[65] *Disposed entities: Serbia classified under IFRS 5 since second quarter 2021 (disposal effective 1 April 2022) and Crédit du Maroc classified under IFRS 5 since first quarter 2022 and disposal of controlling interest in fourth quarter 2022.*

French retail banking results

In fourth quarter 2022, LCL's underlying revenues were down by -1.6% compared to fourth quarter 2021, at €915 million. The decrease in the net interest margin (-6.7%) linked to the increase in the cost of resources was limited by the repricing of credit rates on the corporates market. This was partly offset by the increase in fee and commission income (+4.5%), which was driven by growth in fee and commission income from payment instruments. Costs excluding SRF, which amounted to €581 million, were down (-3.7% compared to fourth quarter 2021) due to non-recurring items, particularly tax items. The underlying cost/income ratio excluding SRF improved by 1.4 percentage points to 63.5%. Underlying gross operating income was therefore up by +2.3% to €334 million.

The cost of risk was also up by +43.6% to -€78 million (including -€11 million in cost of risk on performing loans, -€61 million in proven risk, and -€6 million in other risks). The coverage ratio stood at 66.2% at end December, down this quarter (-14 percentage points), mainly due to the impact of a specific provision that was written off as non-performing when it was already provisioned under performing loans. The non-performing loans ratio was 1.75% at end December 2022, up +0.31 percentage point compared to end September 2022.

As a result, net income Group share remained stable (-0.2%) compared to fourth quarter 2021.

In 2022, LCL's stated net income Group share stood at €899 million, an increase of +17.7% compared to 2021. After taking into account specific items (in particular provisions for home purchase savings, with an impact of +€34 million on revenues and +€24 million on income), the underlying net income Group share came to €875 million, up +13.1%.

LCL's underlying revenues rose by 3.2% compared to 2022 to reach €3,816 million, driven by the net interest margin (+1.0%), which was supported by corporate and professional activity and, secondly, by fee and commission income (+5.1%), particularly on non-life insurance and payment instruments. Underlying costs excluding SRF were slightly increasing (+0.9%), still under control, and include measures for salaries (collective compensations, value redistribution premium) in a context of increasing inflation. The underlying cost/income ratio excluding SRF, which stood at 60.4%, improved again this year compared to 2021 (-1.3 percentage points) and is well below the MTP target. The contribution to the SRF increased by +17.1% (+€10 million). As a result, gross operating income was up +7.7%. The cost of risk, which is normalising, increased by +6.7% to reach -€237 million (including -€193 million for proven risk, -€65 million for provisioning for healthy loans, and -€19 million for other risks). The cost of risk relative to outstandings came to 15 basis points at the end of 2022, versus 20 basis points for the quarterly average of 2019.

All in all, the business line's contribution to underlying net income Group share of Crédit Agricole SA stand at 14% (part in business lines net income group share excluding corporate center).

At 31 December 2022, the **capital allocated** to the business line stood at €5 billion and **risk weighted assets** stood at €52.1 billion. LCL's underlying return on normalised equity (RoNE) stood at 17.4% for 2022 compared to 15.2% for 2022.

International Retail Banking results

Within International Retail Banking, Creval acquired by CA Italia, has been consolidated since 30 April 2021; controlling interest in Crédit du Maroc sold in Q4 2022, after its classification under IFRS 5 in first quarter 2022 (disposal of 63.7%, with the residual 15% stake accounted for under IFRS 5); finally, Crédit Agricole Serbia was sold on 1 April 2022. The income of the latter two entities was recognised in 2022 under IFRS 5, impacting all profit and loss lines of International Retail Banking excluding Italy on a quarterly and cumulative basis.

Underlying revenues of International Retail Banking rose by +8.7% to €896 million in fourth quarter 2022. **Excluding Crédit du Maroc, Crédit Agricole Serbia and Crédit Agricole Ukraine**, underlying revenues of the international retail banking division rose by +15.7% in fourth quarter 2022 compared to fourth quarter 2021 due to the impact of the interest rate hike on the net interest margin. Underlying expenses excluding SRF were stable at -€593 million in fourth quarter 2022. **Excluding Crédit du Maroc, Crédit Agricole Serbia and Crédit Agricole Ukraine**, expenses were up by +7.0%, in particular due to the impact of inflation on salaries. As a result, underlying gross operating income amounted to +€303 million, i.e an increase of +31.4%. **Excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine**, underlying Gross Operating Income rose by +41.1%. The underlying cost of risk stood at -€189 million, an increase of +44.0%, mainly from international retail banking outside Italy. In Ukraine (whose gross operating income is zero), the cost of risk for fourth quarter 2022 stood at -€41 million.

All in all, the stated net income Group share of the International Retail Banking division amounted to €150 million in fourth quarter 2022, compared to -€16 million in fourth quarter 2021. Specific items in fourth quarter 2022 amounted to €132 million in net income (€100 million in net income Group share) and include a favourable *realinemento* tax impact of +€146 million in Retail Banking in Italy, partly offset by an additional provision of -€14 million for the disposal of Crédit du Maroc. The underlying net income Group share of International Retail Banking was €50 million in fourth quarter 2022, down -20.2% compared to fourth quarter 2021. **Excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine**, the underlying net income Group share of the International Retail Banking division was up 91.5% compared to fourth quarter 2021.

For 2022, the underlying revenues of the International Retail Banking division amounted to €3,320 million, up +6.5% compared to 2021. Pro forma for Creval, which has been consolidated since 30 April 2021, excluding Crédit du Maroc, classified under IFRS 5 in the first quarter of 2022, excluding Crédit Agricole Serbia, sold on 1st April 2022, and excluding Crédit Agricole Ukraine, revenues of the International Retail Banking division rose by +5.8% in 2022 compared to 2021, due to the impact of the rate hike on the net interest margin, particularly in Poland and Egypt. Division's underlying operating expenses excluding SRF amounted to -€2,036 million in 2022, up +3.0% compared to 2021. **Pro forma for Creval, excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine, and excluding SRF**, underlying operating expenses increased by +2.9% in 2022 compared to 2021. The contribution to SRF amounted to -€38 million in 2022, up +15.7% compared to 2021. As a result, underlying gross operating income stood at +€1,246 million, an increase of +12.6% in 2022 compared to 2021. Pro forma for Creval, excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine, underlying Gross operating income was up +12.1%. The stated cost of risk amounted to -€700 million in 2022, down -10.2% compared to 2021, including a Ukraine provision for -€195 million classified as a specific item. Underlying cost of risk totalled -€505 million in 2022, an increase of +15.9%. In summary, in 2022, the total amount of provisioning for Ukraine's cost of risk (as a reminder, Crédit Agricole Ukraine's gross operating income was zero in 2022) amounted to -€323 million, including -€195 million provisioned in the first quarter of 2022 (classified as specific items) and -€128 million in additional provisioning over 2022 by Crédit Agricole Ukraine (additional provisioning on the total of €842 million in loan outstandings in Ukraine).

All in all, the underlying net income Group share of the International Retail Banking division was €411 million in 2022, up +15.0% compared to 2021. Pro forma for Creval, excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine, the underlying net income Group share of the International Retail Banking division was up +41.8% in 2022 compared to 2021.

Results in Italy

In the fourth quarter of 2022, CA Italia's underlying revenues were up (+14.5%) compared to fourth quarter 2021, standing at €684 million. The rate hike benefited the net interest margin, and production rates increased by 30 basis points between the fourth and third quarters of 2022. Operating expenses amounted to €483 million, up +7.1% compared to fourth quarter 2021, mainly due to higher IT expenses (notably related to the IT transformation plan), as well as the final integration costs of Creval and the Friuladria merger, and despite Creval's cost synergies, which represented around €30 million in 2022. CA Italia's operational efficiency allowed for positive jaws of +7.5 percentage points this quarter, compared to fourth quarter 2021. All in all, gross operating income increased by +37.6% compared to fourth quarter 2021.

The underlying cost of risk amounted to -€131 million in fourth quarter 2022, including -€109 million for proven risk and -€17 million in provisioning for performing loans. It was up by +11.2% compared to fourth quarter 2021.

The cost of risk on outstandings[66] came out at 51 basis points, the non-performing loans ratio stood at 3.7% at 31 December 2022 and the coverage ratio at 64.7%. The underlying net income Group share of CA Italia thus stood at €36 million, up +70.1% compared to fourth quarter 2021.

For the full year 2022, Crédit Agricole Italia's underlying revenues increased by +11.5% to €2,543 million. Pro forma for the acquisition of Creval, which has been consolidated since 30 April 2021, revenues were up by +2.8%, thanks to the +6.0% increase in the net interest margin in 2022 vs 2021 in a rising rates environment. Underlying expenses excluding SRF were up over 2021 (+10.0%) at -€1,599 million. Pro forma for Creval, expenses excluding SRF rose by 0.9%, with positive jaws of +1.9 percentage points.

The underlying cost of risk was -€312 million, down -10.1% (including -€25 million in provisions on performing loans and -€270 million in provisions for proven risks). Ultimately, the underlying net income Group share was €334 million for CA Italia, up +36.9% compared with 2021 and +30.1% pro forma for Creval.

CA Italia's underlying RoNE (return on normalised equity) for 2022 was 10.8%, compared to 9.0% in 2021.

Crédit Agricole Group in Italy results

The **Group**'s underlying net income Group share in **Italy** reflected the excellent performance of the Group's various business lines and stood at €857 million in 2022, an improvement of +14.2% compared to 2021. The Group's underlying net income Group share in Italy represents 14% of Crédit Agricole S.A.'s[67] underlying income, and Crédit Agricole Italia's income represents 39% of the Group's income in Italy.

International Retail Banking results – excluding Italy

Within the scope of International Retail banking excluding Italy, Crédit du Maroc was classified under IFRS 5 in first quarter 2022 and control was sold in fourth quarter 2022, and Crédit Agricole Serbia was sold on 1st April 2022. The income of these two entities is recognised in 2022 under IFRS 5, impacting all profit and loss lines of International Retail Banking excluding Italy on a quarterly and cumulative basis.

In a context of continued conflict in Ukraine, commercial activity remains heavily penalised and the operations of Crédit Agricole Ukraine reduced. Income was at zero this quarter as provisions were increased to the amount of gross operating income.

The following data for the **fourth quarter for retail banking outside Italy** are therefore presented **at constant scope**[68], i.e., excluding Crédit Agricole Serbia, Crédit du Maroc and Crédit Agricole Ukraine. This scope thus corresponds to the **cumulative view of Egypt and Poland**. Revenues totalled €161 million in fourth quarter 2022 and were up +21.7% over fourth quarter 2021 due to the increase in net interest margin. Operating expenses excluding SRF increased by +8.0%, against a backdrop of high inflation in Poland and Egypt. Gross operating income excluding SRF amounted to €75 million, an increase of +42.7% compared to fourth quarter 2021. The cost of risk was -€17.4 million, down -1.4%, and takes into account provisioning of the CHF loans at 48% in Poland. All in all, the business line's contribution to net income Group share was €28.4 million, an increase of +76.7%.

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[66] *Over a rolling four quarter period*

[67] *Excluding Corporate Centre*

[68] *Without **restatement for scope**, **in fourth quarter 2022 versus fourth quarter 2021:** the underlying revenues of **Retail banking excluding Italy** totalled €212 million, a decrease of -6.6% (idem stated). Underlying expenses declined by -23.1% (idem stated). Underlying gross operating income totalled €103 million, an increase of +20.8%. (idem stated). The underlying cost/income ratio excluding SRF was 51.5% (idem stated), down 11 percentage points. Cost of risk was up, rising from -€14 million to -€59 million, primarily due to the provisioning on Ukraine. Underlying taxes came to -€15 million in fourth quarter 2022, down -30.9% compared with fourth quarter 2021. Gains or losses on discontinued activities amounted to -€28 million as stated and take into account the Net Income of Crédit du Maroc (classified under IFRS 5 since first quarter 2022) as well as a provision of -€14 million for Crédit Agricole du Maroc classified as a specific item. Gains or losses on discontinued activities amounted to -€14 million underlying in fourth quarter 2022. Ultimately, underlying net income Group share totalled €13 million in fourth quarter 2022, a decline of -67.0% from fourth quarter 2021 (stated net income Group share of -€1 million in fourth quarter 2022).*

The following data for ***the twelve months of 2022 for Retail banking excluding Italy*** *are therefore presented at* ***constant scope and excluding Ukraine***[69]***.*** *This scope thus corresponds to the cumulative view of Egypt and Poland.* Revenues totalled €593 million and were up +21.8% compared to 2021, in a context of higher rates, driven by the growth in the interest margin in Poland and of the Corporates activity in Egypt. The exceptional provision of -€21 million for moratoria in Poland remained unchanged in the fourth quarter compared to the third quarter. Operating expenses rose by 14.2% in Poland in particular because of IT investments as well as investments to support the growth of the activity. Gross operating income amounted to +€261 million, an increase of +33.2%. Cost of risk totalled -€65 million, a decrease of -10.7%. All in all, the contribution of the business line to net income Group share was €96 million, an increase of +77.9% over 2021.

International retail banking contributed 7% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding Corporate Centre division) over the year 2022 and 14% to underlying revenues excluding Corporate Centre division.

At 31 December 2022, capital allocated to the International retail banking business line was €4.4 billion, and risk-weighted assets stood at €46.2 billion.

The underlying RoNE (return on normalised equity) of Other IRB stood at 12.6% in 2022, compared with 14.4% in 2021.

The entire Retail banking business line contributed for 21% to the underlying net income Group share of Crédit Agricole S.A.'s core businesses (excluding the Corporate Centre division) in 2022 and 30% to underlying revenues excluding Corporate Centre.

As at 31 December 2022, the equity allocated to the division was €9.3 billion, including €5.0 billion for French retail banking and €4.4 billion for International retail banking. Risk weighted assets for the division totalled €98.3 billion, including €52.1 billion for French retail banking and €46.2 billion for International retail banking.

[69] *Without* ***restatement for scope****, over* ***the year 2022 versus 2021:*** *the underlying revenues of* ***Retail banking excluding Italy*** *totalled €777 million, a decrease of -7.1% (-9.3% stated). Underlying expenses excluding SRF declined by -16.4% (-idem stated). Underlying gross operating income increased by +8.5% (+2.7% stated) and the underlying cost/income ratio excluding SRF was 56.2% (57.8% stated), a decrease of 6.3 percentage points (down 4.9 percentage points stated). Stated cost of risk amounted to -€388 million in 2022 and takes into account a Ukraine provision of -€195 million (allocated in first quarter 2022). The underlying cost of risk was -€193 million, primarily impacted by -€128 million in additional provisions allocated for Ukraine. Underlying taxes amounted to -€52 million in fourth quarter 2022, down -29.1% (-34.6% stated). Ultimately, underlying net income Group share was €76 million, down -32.3% from 2021 (from €109 million to -€160 million stated between 2021 and 2022).*

Corporate Centre results

The underlying net income Group share of the Corporate Centre division was -€164 million in fourth quarter 2022, down -€138 million compared with fourth quarter 2021. The negative contribution of the Corporate Centre can be analysed by distinguishing between the "structural" contribution (-€153 million) and other items (-€11 million).

The contribution of the "structural" component decreased by -€44 million from fourth quarter 2021 and can be broken down into three types of activity:

- The activities and functions of the Corporate Centre of the Crédit Agricole S.A. corporate entity. This contribution reached -€166 million in fourth quarter 2022, an increase of +€9 million, integrating a decline in revenues primarily associated with the effect of inflation on the Corporate Centre division, which was offset by positive tax impacts;
- The businesses not attached to the business lines, such as CACIF (*Private equity*), CA Immobilier and BforBank (equity-accounted): their contribution, at +€12 million in fourth quarter 2022, was down -€52 million from fourth quarter 2021, and is explained by a basis effects related to revenues from disposals and revaluations of Private Equity funds made in fourth quarter 2021;
- Group support functions: their contribution amounted to +€1 million this quarter (-€1 million compared with fourth quarter 2021).

The contribution of "other items" was down by -€93 million from third quarter 2021, tied in particular to the eliminations on intra-group securities underwritten by Predica and Amundi.

Over 2022, the underlying net income Group share of the Corporate Centre division was -€708 million, a decrease of -€245 million compared with 2021. It is in line with the target of net income Group share greater than - €800 million presented in the Ambitions 2025 Medium-Term Plan. The structural component contributed - €931 million, and other items of the division recorded a positive contribution of +€223 million over the year 2022.

The "structural" component contribution is down -€240 million compared with 2021 and can be broken down into three types of activities:

- The activities and functions of the Corporate Centre of the Crédit Agricole S.A. corporate entity. This contribution amounted to -€1,000 million for 2022, down -€171 million compared with 2021;
- The businesses that are not part of the business lines, such as CACIF (Private equity) and CA Immobilier and BforBank: their contribution of +€51 million in 2022 was down by -€79 million compared with 2021.
- The Group's support functions: their contribution was +€18 million in 2022, an increase of +€9 million over 2021.

The contribution of "other items" was down (-€5 million) compared to 2021.

As at 31 December 2022, risk weighted assets were €27.9 billion.

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Financial strength

Crédit Agricole Group

As at 31 December 2022, the **phased-in Common Equity Tier 1 (CET1) ratio** of Crédit Agricole Group was 17.6%, an increase of +0.4 percentage points compared to end September 2022. Therefore, Crédit Agricole Group posted a substantial buffer of 8.7 percentage points between the level of its CET1 ratio and the 8.9% SREP requirement[70], and posted the largest difference with the SREP among European GSIB banks[71]. The fully loaded CET1 ratio is 17.2%. During the fourth quarter 2022 :

- The CET1 ratio benefited this quarter from the impact of the **retained earnings** of +26 bps.
- **The organic growth in the business lines and other items** positively impacted the Group CET1 by +20 basis points, including a decline in risk weighted assets, excluding foreign exchange impact, by - €5.9 billion (i.e. +18 basis point impact), essentially linked to the capital market activities[72]. Regarding the Insurance activity, the equity-accounted value, excluding unrealised gains and/or losses, increased by +€0.5 billion via income, generating an increase in risk weighted assets of €2.0 billion (i.e. -6 basis point impact on CET1 ratio). Last, other effects positively impact the CET1 ratio by +8 basis points.
- The CET1 ratio was also impacted this quarter by merger-acquisition transactions that generated an increase of +12 basis points in the CET1, notably with the disposal of Crédit du Maroc.
- The anticipation in fourth quarter 2022 of the impact of the **purchase of Crédit Agricole S.A. shares by SAS La Boétie**, planned before the end of June 2023, reduced the CET1 ratio by -17 basis points.
- **Insurance unrealised gains and/or losses** had a near-neutral impact this quarter[73], impacting Group CET1 by -1 basis point.
- Last, the **additional pay-out to the shareholder** (i.e. the 20 cents distributed as the balance of all accounts of the 2019 dividend not paid in 2020, as well as the share buyback transaction that offset the diluting effect of the capital increase for employees in 2022) reduced the CET1 ratio by -7 basis points.

The total stock of unrealized losses was -19 basis points at 31 December 2022. As a result, restated for the effects of the unrealised losses, the CET1 ratio rose over 2022 to 17.7% in December 2022, versus 17.4% at end December 2021 net of +16 basis points of unrealised gains.

The phased-in **Tier 1 ratio** stood at 18.6% and the phased-in total ratio was 21.6% this quarter.

The **phased-in leverage ratio** stood at 5.3%, up +0.2 percentage point compared to end September 2022, well above the regulatory requirement of 3%. In addition to the minimum requirement of 3%, from 01/01/2023 and only for global systemically important institutions (G-SII) a leverage ratio buffer will be added, defined as half of the G-SII buffer of the entity, amounting to 0.5% for the Crédit Agricole Group. Failure to comply with the leverage ratio buffer requirement would result in a restriction of distributions and the calculation of a maximum distributable amount (L-MDA). As of 1st January 2023, based on data as of 31/12/2022, Crédit Agricole Group would have a safety margin of 184 basis points above the L-MDA trigger threshold, i.e. €37 billion euros of Tier 1 capital.

Risk weighted assets for Crédit Agricole Group amounted to €575 billion, down by -€14.0 billion compared to 30 September 2022. **The organic growth of the business lines** contributed -10.8 billion to this change, including -€4.9 billion foreign exchange effect and +€2.1 billion for Regional Banks[74]. The **merger-acquisition** transactions

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[70] Countercyclical buffer of 5 bps at 31 December 2022, expected to be 42 bps at 31 December 2023 and 74 basis points at 2 January 2024 for the Crédit Agricole Group based on information known to date, in particular the increase in the French countercyclical buffer rate to 0.50% as from April 2023, then 1% as from January 2024.

[71] On the basis of public data on 8/2/2023 for the 13 European G-SIB banks: BPCE (data at 30/09/2022) , BNP Paribas (data at 31/12/2022), Crédit Agricole Group (data at 31/12/2022), Deutsche Bank (data at 31/12/2022), ING (data at 31/12/2022), Santander (data at 31/12/2022), Société Générale (data at 31/12/2022), Unicredit (Pillar 3 data at 30/09//2022), Crédit Suisse (data at 30/09/2022), Barclays (data at 30/09/2022), HSBC (data at 30/09/2022), Standard Chartered (data at 30/09/2022) and UBS (data at 31/12/2022), as well as Crédit Agricole S.A. at 31/12/2022. Distance from SREP or requirement in CET1 equivalent

[72] Decrease in the counterparty risk of the trading book

[73] the recovery of the equity markets and tightening of credit spreads offsetting the rise in long rates during the quarter

[74] Including international subsidiaries of Regional banks

freed up -€4.2 billion of risk weighted assets, **the Equity-accounted value, including insurance unrealised gains and/or losses** increased risk weighted assets by +1.5 billion and, finally, regulatory effects and methodology had a small impact of -€0.5 billion this quarter.

Maximum Distributable Amount (MDA) trigger

The transposition of Basel regulations into European law (CRD) introduced a restriction mechanism for distribution that applies to dividends, AT1 instruments and variable compensation. The Maximum Distributable Amount (MDA, the maximum sum a bank is allowed to allocate to distributions) principle aims to place limitations on distributions in the event the latter were to result in non-compliance with combined capital buffer requirements.

The distance to the MDA trigger is the lowest of the respective distances to the SREP requirements in CET1 capital, Tier 1 capital and total capital.

At 31 December 2022, **Crédit Agricole Group** posted a safety buffer of **796 basis points above the MDA trigger, i.e. €46 billion in CET1 capital**.

At 31 December 2022, **Crédit Agricole S.A.** posted a buffer of **329 basis points above the MDA trigger, i.e. €12 billion in CET1 capital**.

TLAC

The TLAC ratio requirement was transposed into European Union law *via* CRR2 and has been applicable since 27 June 2019. Crédit Agricole Group must comply with the following TLAC ratio requirements at all times:

- a TLAC ratio above 18% of risk weighted assets (RWA), plus – in accordance with EU directive CRD 5 – a combined capital buffer requirement (including, for the Crédit Agricole Group, a 2.5% capital conservation buffer, a 1% G-SIB buffer and the counter-cyclical buffer set at 0.05% for the CA Group at 31/12/22). Considering the combined capital buffer requirement, the Crédit Agricole Group must adhere to a TLAC ratio of above 21.5%;
- a TLAC ratio of above 6.75% of the Leverage Ratio Exposure (LRE).

The Crédit Agricole Group's 2025 target is to maintain a TLAC ratio greater than or equal to 26% of RWA excluding eligible senior preferred debt.

At 31 December 2022, **Crédit Agricole Group's TLAC ratio** stood at **27.2% of RWA and 7.8% of leverage ratio exposure, excluding eligible senior preferred debt**[75], which is well above the requirements. The TLAC ratio expressed as a percentage of risk-weighted assets increased by 70 bps over the quarter in line with the decrease in the RWA. Expressed as a percentage of the leverage ratio exposure (LRE), the TLAC ratio rose 40 bps compared to September 2022, with the decrease in the leverage ratio exposure tied primarily to the TLTRO repayments.

The Group thus has a TLAC ratio excluding eligible senior preferred debt that is 560 bps higher, i.e. €32 billion, than the current requirement of 21.5% of RWA.

Over the year 2022, €5.9 billion equivalent was issued in the market (senior non-preferred and Tier 2 debt). The amount of Crédit Agricole Group senior non-preferred securities taken into account in the calculation of the TLAC ratio was €27.6 billion.

[75] *As part of its annual resolvability assessment, Crédit Agricole Group has chosen to waive the possibility offered by Article 72ter(3) of the Capital Requirements Regulation (CRR) to use senior preferred debt for compliance with its TLAC requirements in 2022.*

MREL

The required minimum levels are set by decisions of resolution authorities and then communicated to each institution, then revised periodically. Since 1 January 2022, the Crédit Agricole Group has to meet a minimum total MREL requirement of:

- 21.04% of RWA, plus – in accordance with EU directive CRD 5 – a combined capital buffer requirement (including, for the Crédit Agricole Group, a 2.5% capital conservation buffer, a 1% G-SIB buffer and the counter-cyclical buffer set at 0.05% for the CA Group at 31/12/22). Considering the combined capital buffer requirement, the Crédit Agricole Group must adhere to a total MREL ratio of above 24.6%;
- 6.02% of the LRE.

At 31 December 2022, the **Crédit Agricole Group had an estimated MREL ratio of 31.6% of RWA and 9.1% of leverage exposure**, well above the total MREL requirement.

An additional subordination requirement to TLAC ("subordinated MREL") is also determined by the resolution authorities and expressed as a percentage of RWA and LRE, in which senior debt instruments are excluded, similar to TLAC, which ratio is equivalent to the subordinated MREL for the Crédit Agricole Group. Since 1 January 2022, this subordinated MREL requirement for the Crédit Agricole Group did not exceed the TLAC requirement.

The distance to the maximum distributable amount trigger related to MREL requirements (M-MDA) is the lowest of the respective distances to the MREL, subordinated MREL and TLAC requirements expressed in RWA.

At 31 December 2022, **Crédit Agricole Group** had a buffer of **560 basis points above the M-MDA trigger, taking into account the TLAC requirement applicable at 31 December 2022, i.e. €32 billion of CET1 capital.**

Crédit Agricole SA

At end-December 2022, Crédit Agricole S.A.'s solvency level was higher than the Medium-Term Plan target, with a **phased-in Common Equity Tier 1 (CET1) ratio of 11.2%** (up 0.2 percentage point from end-September 2022).. Crédit Agricole S.A. therefore has a substantial buffer of 3.3 percentage points between the level of its CET1 ratio and the 7.9% SREP requirement.[76] This was even higher than at end-September 2022, when it was 3.1 percentage points. The fully loaded CET1 ratio is 11.0%. During the fourth quarter 2022 :

- The CET1 ratio benefited this quarter from a positive impact of +19 bps due to **retained earnings**. This impact corresponds to net income Group share, net of AT1 coupons (impact of +41 basis points) and before the distribution of 50% of earnings (i.e. an effect of -22 basis points).
- The change in **risk-weighted assets related to the business lines' organic growth and other items**, excluding the foreign exchange impact, raised the CET1 ratio by 19 basis points during the quarter, which translated to a drop in risk-weighted assets of -€7.9 billion (of which, SFS +€1.1 billion, Large Customers - €9.9 billion,[77] and Retail Banking +€0.6 billion). The **Insurance equity-accounted value**, excluding unrealised gains and/or losses, contributed to an increase in risk-weighted assets of €2.0 billion (i.e. -6 basis point impact on CET1), and other effects positively impacted the CET1 ratio by +1 basis point;
- **Mergers and acquisitions**, particularly the disposal of Crédit du Maroc, had a +12 basis point positive impact on the CET1 ratio.
- **Insurance unrealised gains and/or losses** had a near-neutral impact this quarter, the recovery of the equity markets and tightening of credit spreads offsetting the rise in long rates during the quarter.

[76] Countercyclical buffer of 6 bp at 31 December 2022, expected to be 37 bp at 31 December 2023 and 60 bp at 2 January 2024 for Crédit Agricole S.A. based on information known to date, in particular the increase in the French countercyclical buffer rate to 0.50% which comes into force in April 2023, rising to 1% from January 2024.

[77] Mainly related to the decrease in counterparty risk on the trading book.

- **The additional distribution to shareholders** corresponded to the 20 cents due in respect of the 2019 dividend not paid in 2020, and to the share buyback offsetting the dilutive effect of the 2022 employee capital increase. The total impact of this effect was a -21 basis point reduction in the CET1 ratio.

For full year 2022, the CET1 ratio fell -70 basis points, of which -99 basis points can be explained by economic effects, largely reversible over time: -88 basis points for insurance unrealised gains and/or losses, related primarily to the impact of higher interest rates, and -12 basis points in risk-weighted assets for credit risk associated with the Russia/Ukraine crisis.[78] Excluding these economic effects, capital generation was positive by +56 basis points for the 2022 full year, including an impact of +68 basis points from retained income over one year, outpacing the organic growth of the business lines, M&A and regulatory operations (specifically the impact of the exceptional payment of a €2 billion dividend by Crédit Agricole Assurances in the second quarter of 2022).

Restated for effects from bank and insurance unrealised gains and/or losses, the CET1 ratio rose in 2022 from 11.6% at end-December 2021 net of +31 basis points of unrealised gains, to 11.8%, net of -54 basis points of unrealised losses at end-December 2022.

The phased-in **leverage ratio** was 3.6% at end-December 2022, up +0.2 percentage point compared to end-September 2022 and above the 3% requirement.

The phased-in **Tier 1 ratio** stood at 13.0% and the phased-in total ratio was 17.5% this quarter.

Crédit Agricole S.A.'s **risk weighted assets** amounted to €361 billion at end-December 2022, down -€16 billion compared to 30 September 2022. **The business lines' organic growth** contributed to this change, with the foreign exchange impact reducing RWA by -€4.9 billion and business line growth excluding foreign exchange impact reducing RWA by -€7.9 billion (see above). **Mergers and acquisitions** freed up -€4.2 billion of risk-weighted assets (see above) while **insurance** generated +€1.5 billion of additional RWA consumption for the equity-accounted value including unrealised gains and/or losses.

[78] *Reduced impact compared to the first nine months of 2022 due to the reduction of Russian exposures in the fourth quarter of 2022.*

Liquidity and Funding

Liquidity is measured at Crédit Agricole Group level.

In order to provide simple, relevant and auditable information on the Group's liquidity position, the banking cash balance sheet's stable resources surplus is calculated quarterly.

The banking cash balance sheet is derived from Crédit Agricole Group's IFRS financial statements. It is based on the definition of a mapping table between the Group's IFRS financial statements and the sections of the cash balance sheet as they appear in the next table and whose definition is commonly accepted in the marketplace. It relates to the banking scope, with insurance activities being managed in accordance with their own specific prudential constraints.

Further to the breakdown of the IFRS financial statements in the sections of the cash balance sheet, netting calculations are carried out. They relate to certain assets and liabilities that have a symmetrical impact in terms of liquidity risk. Deferred taxes, fair value impacts, collective impairments, short-selling transactions and other assets and liabilities were netted for a total of €38 billion at end-December 2022. Similarly, €94 billion in repos/reverse repos were eliminated insofar as these outstandings reflect the activity of the securities desk carrying out securities borrowing and lending operations that offset each other. Other nettings calculated in order to build the cash balance sheet – for an amount totalling €202 billion at end-December 2022 – relate to derivatives, margin calls, adjustment/settlement/liaison accounts and to non-liquid securities held by the Corporate and Investment Banking business line (CIB). They are included in the "Customer-related trading assets" section.

Note that deposits centralised with Caisse des Dépôts et Consignations are not netted in order to build the cash balance sheet; the amount of centralised deposits (€81 billion at end-December 2022) is booked to assets under "Customer-related trading assets" and to liabilities under "Customer-related funds".

In a final stage, other restatements reassign outstandings that accounting standards allocate to one section, when they are economically related to another. As such, senior issuances placed through the banking networks as well as financing by the European Investment Bank, the Caisse des Dépôts et Consignations and other refinancing transactions of the same type backed by customer loans, which accounting standards would classify as "Medium long-term market funds", are reclassified as "Customer-related funds".

Note that for Central Bank refinancing operations, outstandings related to the T-LTRO (Targeted Longer-Term Refinancing Operations) are included in "Long-term market funds". In fact, T-LTRO 3 transactions are similar to long-term secured refinancing transactions, identical from a liquidity risk standpoint to a secured issue.

Medium to long-term repos are also included in "Long-term market funds".

Finally, the CIB's counterparties that are banks with which we have a commercial relationship are considered as customers in the construction of the cash balance sheet.

Standing at €1,667 billion at 31 December 2022, the Group's banking cash balance sheet shows **a surplus of stable funding resources over stable application of funds of €213 billion**. It was down €53 billion versus end-September 2022 and €66 billion versus end-December 2021. This was mainly due to the repayment of a significant portion of T-LTRO 3 resources (€71 billion[79]), although this was offset by strong growth in inflows. The Group's commercial activity was very dynamic during the quarter, with a +€12 billion increase in loans, offset by a +€27 billion increase in customer-related funds.

In addition, total T-LTRO 3 outstandings for Crédit Agricole Group amounted to €91 billion[79] at 31 December 2022. This was a drop of €71 billion,[79] which was the sum repaid during the quarter. *It should be noted that the interest rate applicable to the refinancing rate of these operations is accrued over the drawdown period until 23 November 2022, pursuant to the ECB announcement dated 27 October 2022. The special interest rate is accrued over the related special interest rate period. Consequently, the special interest rate applicable to the refinancing*

[79] *Excluding FCA Bank*

rate for these operations for the second period (June 2021 to June 2022) was taken into account in Q2 2022 for all drawdowns.

It should be noted, with regard to the position in available stable funding, that internal management excludes the temporary surplus of stable resources provided by the increase in T-LTRO 3 outstandings in order to secure the Medium-Term Plan's target of €110 billion to €130 billion, regardless of the repayment strategy.

Furthermore, given the excess liquidity, the Group remained in a short-term lending position at 31 December 2022 (central bank deposits exceeding the amount of short-term net debt).

Medium-to-long-term market resources were €284 billion at 31 December 2022, down -€69 billion compared to end-September 2022, and down -€60 billion compared to end-December 2021 due to the repayment in December 2022 of €71 billion[80] of T-LTRO 3 resources.

They included senior secured debt of €154 billion, senior preferred debt of €77 billion, senior non-preferred debt of €32 billion and Tier 2 securities amounting to €21 billion.

At 31 December 2022, the Group's liquidity reserves, at market value and after haircuts, amounted to €467 billion, up +€5 billion from end-September 2022 and up +€2 billion from end-December 2021. They covered short-term net debt more than three times over (excluding the replacements with Central Banks).

They remain at a high level, the repayment of a significant portion of T-LTRO 3 resources having had a minimal impact overall but nevertheless leading to a change in the structure of the liquidity reserves (decrease in Central Bank deposits offset by the payment in full of eligible loans previously used as collateral for T-LTRO 3 operations).

Crédit Agricole Group also continued its efforts to maintain immediately available reserves (after recourse to ECB financing). Central bank eligible non-HQLA assets after haircuts amounted to €142 billion.

Credit institutions are subject to a threshold for the LCR ratio, set at 100% on 1 January 2018.

Average year-on-year LCR ratios at 31 December 2022 were respectively 167.3% for Crédit Agricole Group and 147.9% for Crédit Agricole S.A. They were higher than the Medium-Term Plan target (around 110%), in line with the Group's recourse to T-LTRO 3 drawdowns from the Central Bank during the COVID-19 crisis.

In addition, **the NSFR of Crédit Agricole Group and Crédit Agricole S.A. exceeded 100%**, in accordance with the regulatory requirement applicable since 28 June 2021 and above the Medium-Term Plan target (>100%).

The Group continues to follow a prudent policy as regards medium-to-long-term refinancing, with a very diversified access to markets in terms of investor base and products**.**

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[80] *Excluding FCA Bank*

In 2022, the Group's main issuers raised the equivalent of €49.5 billion[81,82] **in medium-to-long-term debt** through the open market, 43% of it issued by Crédit Agricole S.A. Significant events for the Group in 2022 were as follows:

- Crédit Agricole CIB issued €17.5 billion, mainly structured and highly diversified private placements;
- Crédit Agricole Consumer Finance issued €7.6 billion in MLT refinancing, including €1.6 billion in ABS securitisations;
- Crédit Agricole Italia issued a €1.5 billion covered bond in two tranches (10 and 20 years);
- Crédit Agricole Next Bank (Switzerland) issued three covered bonds in 2022 for CHF300 million, including a green covered bond for CHF100 million;

In addition, €10.1 billion[81] was raised through private agreements, comprising €7.8 billion from banking networks (the Group's retail banks or external networks), €1.6 billion from supranational organisations and €0.7 billion from national refinancing vehicles (including the credit institution CRH).

In 2022, Crédit Agricole S.A. raised the equivalent of €21.1 billion[81,82] **through the open market (initially planned at €13 billion)**.

The bank raised the equivalent of €21.1 billion, of which €5.6 billion in senior non-preferred debt, €0.3 billion in Tier 2 debt, €8.1 billion in senior preferred debt and €7.0 billion in senior secured debt. The financing comprised a variety of formats and currencies.[83]

Note that on 5 January 2022, Crédit Agricole S.A. issued a PerpNC7.7 AT1 bond for USD1.25 billion at an initial rate of 4.75%.

The 2023 refinancing programme totals €19 billion[81,82], consisting of €15 billion in senior preferred or senior secured debt and €4 billion in TLAC eligible debt (non-preferred senior debt or Tier 2 debt). At the end January 2023, 27% of the funding plan was realised.

Note that on 3 January 2023, Crédit Agricole S.A. issued a PerpNC6 AT1 bond for €1.25 billion at an initial rate of 7.25%.

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[81] *Gross amount before buy-backs and amortisations*
[82] *Excl. AT1 issuances*
[83] *83% in EUR, 4% in USD, 4% in GBP, 3% in JPY, 3% in CHF and 3% other (NOK, HKD, SGD, AUD).*

ECONOMIC AND FINANCIAL ENVIRONMENT

2022 RETROSPECTIVE

The scenario developed at the end of 2021 assumed ban easing of both post-pandemic demand and supply constraints. This scenario was based on twofold normalisation with growth remaining sustained after a period of unusual vigorousness and a moderation of inflation. In February 2022, the dramatic shock of the Russia-Ukraine war broadsided this scenario through three main channels: confidence, by causing concern; supply, by causing actual or anticipated shortages; and demand, by stimulating inflation. As during the Covid crisis, a hierarchy of national vulnerabilities was established according to multiple criteria: distance from the war zone; level of trade with the warring parties (including dependence on grain, gas and oil imports and the energy mix); terms-of-trade shock; and ability to mitigate price increases (particularly by means of public subsidies). While countries have been affected differently by this new shock, none have escaped the acceleration and spread of inflation, leading to a more widespread and premature monetary tightening and a downward revision of growth. The only notable exception was China, which avoided inflation.

After strong growth (8.1%) in 2021 supported by exports that were boosted by Western stimulus packages and a highly accommodative monetary policy, **China** has indeed suffered a slowdown affecting all segments of its economy, including the property sector, private consumption and foreign trade. Anti-Covid restrictions disrupted industrial production and consumption, but sluggish domestic demand kept inflation in check; the global slowdown and rising commodity prices began to weigh on growth and the trade balance; structural imbalances (property, debt, demographics) exacerbated the situation’s adverse impact on activity. Growth thus stood at 3%, far from the target of “around 5.5%” projected in March.

Although far from the centre of the conflict and still buoyed by the post-Covid recovery momentum (5.9% growth in 2021) largely due to “over-stimulated” consumption, the **United States** has seen a significant decline in growth (2.1% in 2022). After beginning 2022 with two consecutive quarters of GDP contraction[84], growth recovered thanks to the buffers resulting from the pandemic: the accumulation of abundant savings (concentrated in high revenues) and a very tight labour market. Strong job creation, coupled with a participation rate (62.3% in December) that is still one percentage point below its pre-pandemic level, has resulted in a decline in the unemployment rate (3.5%) and vigorous wage increases (6.2% year-on-year in November), partly offsetting the high inflation. Stimulated by supply and then rapidly by demand, 12-month inflation fell from 7.5% in January 2022 to 6.5% in December after reaching its peak in June at 9.1%. Core inflation dropped only slightly (5.7% in December compared to 6% in January and a peak of 6.6% in September).

Following very strong growth in 2021 (5.3%) and after being buoyed in the first half of 2022 by the post-Omicron upturn, from the summer onwards the **Eurozone** suffered the brutal materialisation of a much more limited supply of Russian gas, terms-of-trade shock[85], an acceleration in inflation and the tightening of financial terms. The slowdown was abrupt: from 5.5% in the first quarter of 2022, the annual GDP growth rate fell to 2.3% in the third quarter. Despite a slightly negative external contribution (-0.3 percentage points), growth nevertheless remained high over the year as a whole (3.5%) thanks to dynamic domestic demand: household consumption and investment grew by 4% and 4.3% respectively[86]. This robust consumption is largely explained by the aftermath of the Covid crisis: a resilient labour market paired with abundant savings.

[84] *In terms of annualised quarterly change, GDP contracted by 1.6% and then by 0.6%. The decline in the first quarter was due to a highly negative contribution from net exports; the decline in the second quarter can mainly be explained by destocking. Considering that other variables necessary for the diagnosis (including real household income excluding transfers and non-agricultural paid employment etc.) have held up well, this period has not been officially classified as a recession by the NBER.*

[85] *The increase in energy imports in the first nine months of 2022 compared to the same period in 2021 stood at 4.3 GDP points. Before the redistribution of this burden among key players (mainly via government support to households and companies and the transfer of the cost increase from producers to consumers), this additional cost affects customers according to their relative energy consumption: 29% to households, 68% to companies and 3% to administrations.*

[86] *Domestic performances were very mixed, with Germany seeing growth of 1.8% (2.6% in 2021), France of 2.6% (6.8% in 2021) and Italy of 3.9% (6.7% in 2021), while Spain once again grew by 5.5% (5.5% in 2021).*

Despite a slowdown in job creation and an increase in the participation rate (to 74.9% in the third quarter), "job retention", a key element of the strategy rolled out during Covid, has allowed the unemployment rate to continue to fall (to 6.5% in November 2022 compared to 7.1% one year earlier). While public support (1.3% of the GDP in 2022, more than half of which in favour of households) and the increase in nominal wages have not made it possible to preserve real disposable income (down by 0.4% over the first three quarters of the year), the loss of purchasing power has not led to a decrease in consumption: the excess savings built up during the crisis (of around €1000 billion in mid-2022) have contributed to the resilience of domestic demand, which should have been crippled by very high inflation. The inflation rate more than doubled between January 2022 (5.1% year-on-year) and its peak (10.6% in October) before decreasing once again (9.2% in December): the deceleration of inflation in the energy sector (25.5% compared to 34.9% in November) cushioned accelerated price increases for other components (services, non-energy industrial goods, food). While the recovery in core inflation was initially caused by supply constraints (bottlenecks and input shortages), the importance of demand factors gradually increased as pandemic-related restrictions were lifted, particularly in services. Additionally, sources of upstream inflation have slowly spread. Core inflation thus rose from 2.3% in January to 5.2% in December.

As inflation accelerated and spread, with the risk of it becoming entrenched, the rhetoric and then the actions of central banks hardened. The focus on fighting inflation has resulted in aggressive monetary tightening.

In the **United States**, the FOMC's sudden hawkish reversal at the end of 2021 was particularly reinforced in the first quarter of 2022. Fed Fund rate hikes came into play from March onwards. These increases totalled 425 basis points over the year and brought the target range to 4.25%–4.50% by the end of the year. Quantitative Tightening (QT) began in June (monthly reimbursement ceilings of $30 billion in Treasuries and $17.5 billion in Mortgage-Backed Securities, for a total of $47.5 billion, which was then doubled to a monthly ceiling of $95 billion).

Finally, in December, the FOMC minutes shed light on the intentions of Fed officials: a strong commitment to returning inflation to its 2 percent objective; slowed rate hike pace signalling neither a lesser determination to achieve the price stability objective nor a judgement that inflation was already on a persistent downward path; maintenance of a restrictive policy "for a sustained period" (until inflation is clearly on a path to the objective), stating that it would be inappropriate to start cutting the Fed Funds rate in 2023.

In the **Eurozone**, after ten years of uninterrupted monetary accommodation, the ECB started the cycle of raising its key rates in July. Over the year, these rate hikes amounted to 250 basis points, bringing the deposit and refinancing rates to 2% and 2.50% respectively. The "non-conventional" component was also tightened, with the end of net purchases in March under the Pandemic Emergency Purchase Programme (PEPP) and in July under the Asset Purchase Programme (APP), and the tightening of liquidity conditions with the end of TLTRO III operations in June.

In the **financial markets**, 2022 was a difficult year, marked by abrupt increases in interest rates and declining equity markets.

US two-year rates rose by 380 basis points (bps) to 4.50% while ten-year rates rose by 240 bps to 3.90%. German two-year (2.70% at the end of December) and ten-year (2.55%) sovereign rates rose by 330 bps and 275 bps respectively. Sovereign rates (both two- and ten-year rates) have thus returned to levels not seen since reaching their peak in 2007, at the dawn of the 2008 financial crisis, which set them on the path of a major downturn, accompanied by a curve flattening trend and ending with a slight inversion in Germany and a sharp one in the United States. At the end of 2021, the interest rate curves (spread between two- and ten-year sovereign rates) were still on the rise, with a slope of around 80 bps and 50 bps in the United States and Germany respectively. Depending on the strength and maturity of monetary tightening, the curves gradually flattened to invert in the United States (in July) and in Germany (in November). The compensation differences between long and short maturities were negative at the end of December 2022 (by about 60 bps in the United States and 15 bps in Germany). In addition, risk premiums in France and Spain rose by about 20 bps to 55 bps and 97 bps, respectively, above the Bund, while the Italian spread increased by almost 80 bps to 213 bps.

While the US equity market (S&P500) lost 20% over the year, the Eurostoxx 50 and the CAC40 fell by 12% and 10% respectively. Finally, risk aversion and strong, premature monetary tightening in the United States benefited the dollar. The euro thus fell continuously against the dollar until September, recording a depreciation of 14% over 9 months. Thanks to economic growth being more resilient than expected and the ECB tightening, the euro then recovered, limiting its depreciation against the dollar to -6% over 2022.

2023 OUTLOOK

The scenario continues to be overshadowed by the Russia-Ukraine war, with effects being felt both in neighbouring countries and in those further away, through the rise in prices or the risk of food or energy commodity shortages. The strong rebound of post-Covid recovery is easing and economies are poised to flirt with recession in varying degrees. While violent recessions seem to be avoidable, this is paradoxically due to the buffers resulting from the pandemic, mainly in the form of still abundant private savings and fairly resilient labour markets.

In the **United States**, the pillars that have enabled strong growth (particularly consumption) to go beyond expectations are gradually weakening: a tight labour market but slowing net job creation; high nominal wage growth but a loss of purchasing power, leading to the savings built-up during the pandemic being drained and credit card borrowing; declining business surveys; and slowdowns in non-residential and residential investments. Counting on the counter-cyclical action of budgetary and/or monetary policies is futile: the 2022 mid-term elections produced a divided government that is not conducive to any fiscal stimulus, and the Fed has made it clear that it is focusing on inflation, at the cost of enduring a short-term recession.

Although it has passed its peak, headline inflation is still high; core inflation appears to be resistant and should slowly decelerate. The slowdown in growth and better functioning supply chains should lead to a sharper decline in price increases by the end of 2023, with headline inflation approaching 3% and core inflation falling below 3%. If inflation were to fall faster than expected, a soft landing could not be ruled out. But our central scenario favours a slight recession in the middle of the year, leading to a pronounced slowdown in growth in 2023 (to 0.6%).

In **China**, the shift from its zero-Covid policy quickly pleased observers. The need to “live with the virus” should nevertheless continue to weigh on growth, whose expected upturn will depend essentially on domestic demand. The latter will itself be conditioned by three factors: the extent of the support granted by the authorities to the property sector (limited support because the Chinese government does not want to position itself as a last-resort lender to a sector that it considers responsible for its over-indebtedness); the capacity of the government to create sufficient confidence in order to free up part of its residents’ precautionary savings and to stimulate consumption; and the attitude of the government towards the private sector, which has suffered over the last two years from the zero-Covid strategy and the tightening of regulations. Taking into account the slightly negative – or at best, zero – contribution from foreign trade, and investments still being curbed by the restructuring of the property sector, growth should accelerate to around 5%, mainly due to positive base effects in the service sectors.

In the **Eurozone**, the natural slowdown in post-pandemic growth has been compounded by the lasting shock of the war in Ukraine. It is difficult to read the economic situation due to the succession of shocks, mainly the Covid crisis and the war in Ukraine. What are the ongoing effects of the pandemic? A labour market that is still solid, a substantial but largely depleted savings surplus for the most modest households, inflation that was hoped to be temporary. While the debate on the precise nature of inflation and the respective responsibilities of supply and demand has not been settled, it is clear that supply chain tensions are decreasing, the slowdown in global inflation is spreading, but also that second-round effects are visible: the impact of energy price rises on consumer prices, via production costs, is obvious even before any wage-price spiral is implicated. What is the impact from the war in Ukraine? A sustained increase in the price of energy imports. The effects of deteriorating trade terms, inflation and loss of competitiveness on export volumes and market shares will gradually reveal themselves.

Our scenario for the Eurozone assumes a decline in average inflation (HICP definition) (projected at 7.5%), but it would still remain high (4.5% at the end of 2023) and weigh on domestic demand. While net exports would subtract from growth (negative contribution of 0.7 percentage points), domestic demand and inventories would still make slightly positive contributions (of 0.6 and 0.2 percentage points respectively). Our scenario thus assumes, overall, a marked deceleration in growth in 2023 (to 0.1% after 3.4% in 2022) but also, beyond that, a permanently weaker rate of expansion. This scenario is still based on strong assumptions about gas supply and its price. While the prospect of winter power cuts seems further and further away thanks to favourable weather and the restarting of nuclear power plants, the difficulties in obtaining natural gas at a "non-punitive" cost are likely to last as long as the war in Ukraine and beyond.

In **France**, even if partially cushioned by the price shield, the effects of inflation on customers' income should result in a slowdown in demand in the first half of 2023; a brief contraction in GDP is also not excluded. Coupled with aggressive monetary tightening that will eventually limit investment at a time when most companies are already experiencing pressure on their margins, economic activity would only recover slowly in the second half of the year, with some industrial sectors remaining crippled by high energy prices over the longer term. In 2023, with household consumption rising by 0.2%, total investment stable, and a negative net external contribution, average growth would reach 0.3%. This scenario assumes a slightly less dynamic labour market: job creation should slow and defaults should return to their pre-crisis levels. A moderate increase in the unemployment rate (to 7.5%) and wage growth falling once again below price developments would therefore weigh on consumption. Inflation would peak at the beginning of 2023, but would only slowly decline throughout the year (consumer prices, INSEE definition: 5.2% on average, 3.7% at year-end). With inflation remaining high, households would then have to dip into their savings to maintain their essential expenses: the savings rate would fall before gradually returning to 15%, close to its pre-pandemic average.

In terms of monetary policy, fighting inflation remains the priority. Central banks will not risk letting their guard down too quickly, and the pivot that the markets are hoping for will be more of a pause than a prelude to a rapid decline.

In the **United States**, after aggressive rate hikes in 2022 totalling 425 basis points, bringing the target range to 4.25%–4.50%, the Fed signalled its intention to slow the pace of these increases while making it clear that the tightening was not at an end. Our monetary scenario assumes a slowdown in the pace of rate hikes (25 basis points at each of the February, March and May FOMC meetings), bringing the target range for the Fed funds rate to a peak of 5%–5.25%, in line with the December dot plot. Based on its experience, the Fed should remain cautious and not engage in too much premature easing: its rates would remain on this plateau for the rest of 2023. Since inflation's sustainable return to the 2% target is a prerequisite for easing, this would not take place before 2024. Additionally, after having reached its maximum pace in September, the Fed's balance sheet will continue to shrink as announced in May. Quantitative tightening (QT) should come to an end when easing takes place through key rate cuts, so that the two monetary tools do not work against each other. The end of the QT would therefore not occur in 2023.

In the **Eurozone**, at its meeting at the end of December, the ECB revised its inflation forecasts upwards (6.3% in 2023, 3.4% in 2024, 2.3% in 2025) and growth forecasts downwards (0.5% in 2023, 1.9% in 2024 and 2025). In line with higher inflation, the ECB raised rates by 50 basis points to bring the deposit rate to 2%, and coupled this move with a very proactive rhetoric: interest rates will have to continue to rise significantly at a steady pace in order to reach sufficiently restrictive levels and ensure inflation's rapid return to the 2% objective in the medium term. In our scenario, the ECB would continue to raise its key rates until June 2023, when the refinancing and deposit rates would reach 4.25% and 3.75% respectively, levels at which they would remain for a fairly long time, since monetary easing would not take place before mid-2024. This scenario is aggressive, but a change of course from the ECB's announcements would require a significant improvement in the inflation outlook, a drastic deterioration in growth or extreme tensions on financial markets: none of these factors seem to be looming.

In December, the ECB also unveiled some elements of its QT, announcing a cautious, gradual strategy to reduce its balance sheet by €15 billion between March and June by reducing the securities held under the Public Sector Purchase Programme (PSPP). Details of further QT developments will be provided in February. Our scenario assumes a decrease of €20 billion per month from the third quarter, concentrated in government securities (PSPP). Finally, tightening through rates and quantities is accompanied by a change in the terms of the TLTROs (Targeted Long-term Refinancing Operations), encouraging banks to repay these loans early: given the importance of bank credit in the Eurozone, this channel could prove to be the most powerful in terms of monetary tightening.

Under the influence of monetary tightening and inflation that remains high, long-term interest rates should continue to rise slightly before declining once again towards mid-2023, weighed down by the slowdown or even a likely recession. This scenario maintains the inversion of the interest rate curves (2 years–10 years): sharp in the US, moderate in Germany.

The ten-year US Treasuries rate would peak at around 4.15% in the first half of 2023 and the two-year–ten-year slope would reach its maximum inversion (105 basis points) in the first quarter of 2023. Our scenario assumes the US 10-year rate will be very slightly above 4% at the end of 2023. In the Eurozone, expectations of a restrictive ECB policy should weigh on growth prospects and support demand for risk-free long-term securities: government bonds, which have not been popular with individual investors and the private sector over the past decade due to low returns, would regain favour with these investors. The ECB's policy would therefore only lead to a limited increase in long-term interest rates. On the other hand, TLTRO redemptions could, in the short term, ease the shortage of securities and create modest pressure to widen spreads on peripherals. Our scenario assumes a Bund rate (German 10-year rate) of 2.60% at the end of 2023, and French and Italian risk premiums close to 60 and 220 basis points, respectively, compared to the Bund.

After being supported by risk aversion, over-stimulated growth and premature, powerful monetary tightening in the United States, the factors behind the US dollar's sustained appreciation are gradually dissipating. The US currency is expected to lose some ground in 2023. Our scenario assumes a EUR/USD exchange rate of 1.10 at the end of 2023.

Appendix 1 – Specific items, Crédit Agricole Group and Crédit Agricole S.A.

Crédit Agricole Group – Specific items, Q4-22 and 12M-22

€m	Q4-22		Q4-21		2022		2021	
	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income
DVA (LC)	(24)	(18)	1	1	(19)	(14)	6	4
Loan portfolio hedges (LC)	(38)	(28)	4	3	21	16	(17)	(13)
Home Purchase Savings Plans (LCL)	-	-	9	7	34	26	(1)	(1)
Home Purchase Savings Plans (CC)	-	-	22	16	53	39	22	16
Home Purchase Savings Plans (RB)	-	-	85	60	412	306	85	61
Reclassification of held-for-sale operations - NBI (IRB)	-	-	-	-	0	0	(2)	(2)
Exceptional provisionning on moratoria Poland (IRB)	-	-	-	-	(21)	(17)	-	-
Ongoing sale project NBI (WM)	-	-	-	-	-	-	(1)	(1)
Total impact on revenues	**(63)**	**(46)**	**120**	**86**	**480**	**355**	**92**	**65**
Creval integration costs (IRB)	-	-	-	-	(30)	(18)	-	-
Lyxor integration costs (AG)	-	-	-	-	(59)	(31)	-	-
CAGIP Transformation costs (CC)	(20)	(15)	-	-	(20)	(15)	-	-
CAGIP Transformation costs (RB)	(30)	(22)	-	-	(29.5)	(21.9)	-	-
S3 / Kas Bank integration costs (LC)	-	-	-	-	-	-	(4)	(2)
Transformation costs (LC)	-	-	(24)	(12)	-	-	(45)	(23)
Transformation costs (FRB)	-	-	-	-	-	-	(13)	(9)
Lyxor aquisition costs (AG)	-	-	(16)	(8)	-	-	(16)	(8)
Voluntary redundancy plan CA Italia	-	-	(190)	(109)	-	-	(190)	(109)
Ongoing sale project Expenses (WM)	-	-	-	-	-	-	(2)	(2)
Creval integrations costs (IRB)	-	-	(23)	(13)	-	-	(32)	(17)
Donation for illiteracy (RB)	(35)	(26)	-	-	(35)	(26)	-	-
Exceptional contribution to the Italian banks rescue plan (IRB)	-	-	(25)	(14)	-	-	(25)	(14)
Reclassification of held-for-sale operations - Costs (IRB)	-	-	-	-	(0)	(0)	(1)	(1)
Total impact on operating expenses	**(84)**	**(63)**	**(297)**	**(168)**	**(174)**	**(111)**	**(347)**	**(197)**
Restatement SRF 2016-2020 (CR)	-	-	-	-	-	-	55	55
Restatement SRF 2016-2020 (CC)	-	-	-	-	-	-	130	130
Total impact on SRF	**-**	**-**	**-**	**-**	**-**	**-**	**185**	**185**
Disposal in receivables and additional provisioning of the portfolio CA Italia	-	-	(319)	(180)	-	-	(319)	(180)
Creval - Cost of Risk stage 1 (IRB)	-	-	-	-	-	-	(25)	(21)
Provision for own equity risk Ukraine (IRB)	-	-	-	-	(195)	(195)	-	-
Total impact on cost of credit risk	**-**	**-**	**(319)**	**(180)**	**(195)**	**(195)**	**(344)**	**(202)**
CACF/Stellantis transformation costs (SFS)	(8)	(16)	-	-	(8)	(16)	-	-
"Affrancamento" gain (SFS)	-	-	-	-	-	-	5	5
Total impact equity-accounted entities	**(8)**	**(16)**	**-**	**-**	**(8)**	**(16)**	**5**	**5**
Creval integrations costs (IRB)	-		-		-		1	
Creval acquisition costs (IRB)	-	-	-	-	-	-	(16)	(9)
Total impact on Net income on other assets	**-**	**-**	**-**	**-**	**-**	**-**	**(15)**	**(9)**
Badwill Creval (IRB)	-	-	119	101	-	-	497	422
Total impact on change of value of goodwill	**-**	**-**	**119**	**101**	**-**	**-**	**497**	**422**
"Affrancamento" gain (IRB)	-	-	59	50	-	-	97	82
"Affrancamento / reallineamento" gain (IRB)	146	126	-	-	146	126	-	-
"Affrancamento" gain (AG)	-	-	-	-	-	-	114	80
Total impact on tax	**146**	**126**	**272**	**205**	**146**	**126**	**424**	**317**
Capital gain La Médicale (GEA)	-	-	-	-	101	101	-	-
Reclassification of held-for-sale operations Crédit du Maroc (IRB)	(14)	(14)	-	-	- 14	(14)	-	-
Reclassification of held-for-sale operations (IRB)	-	-	-	-	- 7	(10)	(1)	(1)
Ongoing sale project (WM)	-	-	-	-	-	-	5	5
Total impact on Net income from discounted or held-for-sale operations	**(14)**	**(14)**	**-**	**-**	**80**	**77**	**3**	**3**
Total impact of specific items	**(23)**	**(13)**	**(104)**	**44**	**330**	**236**	**500**	**589**
Asset gathering	**-**	**-**	**(16)**	**(8)**	**42**	**70**	**100**	**74**
French Retail banking	**(64)**	**(48)**	**94**	**67**	**382**	**283**	**126**	**106**
International Retail banking	**132**	**112**	**(292)**	**(88)**	**(121)**	**(128)**	**71**	**226**
Specialised financial services	**(8)**	**(16)**	**108**	**66**	**(8)**	**(16)**	**113**	**71**
Large customers	**(63)**	**(46)**	**(19)**	**(8)**	**2**	**1**	**(61)**	**(33)**
Corporate centre	**(20)**	**(15)**	**22**	**16**	**32**	**24**	**152**	**146**

** Impact before tax and before minority interests*

Crédit Agricole SA – Specific items, Q4-22 and 12M-22

€m	Q4-22		Q4-21		2022		2021	
	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income	Gross impact*	Impact on Net income
DVA (LC)	(24)	(18)	1	1	(19)	(14)	6	4
Loan portfolio hedges (LC)	(38)	(28)	4	3	21	15	(17)	(12)
Home Purchase Savings Plans (FRB)	-	-	9	6	34	24	(1)	(1)
Home Purchase Savings Plans (CC)	-	-	22	16	53	39	22	16
Reclassification of held-for-sale operations - NBI (IRB)	-	-	-	-	0	0	(2)	(2)
Exceptional provisionning on moratoria Poland (IRB)	-	-	-	-	(21)	(17)	-	-
Ongoing sale project NBI (WM)	-	-	-	-	-	-	(1)	(1)
Total impact on revenues	**(63)**	**(45)**	**36**	**25**	**68**	**48**	**7**	**4**
CAGIP Transformation costs (CC)	(20)	(13)	-	-	(20)	(13)	-	-
Ongoing sale project Expenses (WM)	-	-	-	-	-	-	(2)	(2)
S3 / Kas Bank integration costs (LC)	-	-	-	-	-	-	(4)	(2)
Transformation costs (LC)	-	-	(24)	(12)	-	-	(45)	(23)
Transformation costs (FRB)	-	-	-	-	-	-	(13)	(9)
Creval integration costs (IRB)	-	-	(23)	(12)	-	-	(32)	(15)
Voluntary redundancy plan CA Italia	-	-	(190)	(97)	-	-	(190)	(97)
Creval other adjustments	-	-	(19)	(11)	-	-	(19)	(11)
Creval integration costs (IRB)	-	-	-	-	(30)	(16)	-	-
Reclassification of held-for-sale operations - Costs (IRB)	-	-	-	-	(0)	(0)	(0)	(0)
Lyxor aquisition costs (AG)	-	-	(16)	(8)	-	-	(16)	(8)
Lyxor integration costs (AG)	-	-	-	-	(59)	(30)	-	-
Exceptional contribution on supplementary health insurance premiums (AG)	-	-	(25)	(13)	-	-	(25)	(13)
Total impact on operating expenses	**(20)**	**(13)**	**(297)**	**(152)**	**(110)**	**(60)**	**(347)**	**(180)**
Restatement SRF2016-2020	-	-	-	-	-	-	130	130
Total impact on SRF	**-**	**-**	**-**	**-**	**-**	**-**	**130**	**130**
Creval - Cost of Risk stage 1 (IRB)	-	-	-	-	-	-	(25)	(19)
Disposal in receivables and additional provisioning of the portfolio	-	-	(319)	(161)	-	-	(319)	(161)
Provision for own equity risk Ukraine (IRB)	-	-	-	-	(195)	(195)	-	-
Total impact on cost of credit risk	**-**	**-**	**(319)**	**(161)**	**(195)**	**(195)**	**(344)**	**(180)**
CACF/Stellantis transformation costs (SFS)	(8)	(16)	-	-	(8)	(16)	-	-
"Affrancamento" gain (SFS)	-	-	-	-	-	-	5	5
Total impact equity-accounted entities	**(8)**	**(16)**	**-**	**-**	**(8)**	**(16)**	**5**	**5**
Creval acquisition costs (IRB)	-	-	-	-	-	-	(16)	(8)
Total impact Gains ou pertes sur autres actifs	**-**	**-**	**-**	**-**	**-**	**-**	**(15)**	**(8)**
Badwill Creval (IRB)	-	-	119	90	-	-	497	376
Total impact on change of value of goodwill	**-**	**-**	**119**	**90**	**-**	**-**	**497**	**376**
"Affrancamento" gain Tax (SFS)	-	-	108	66	-	-	108	66
"Affrancamento" gain (IRB)	-	-	59	45	-	-	97	73
"Affrancamento / reallineamento" gain (IRB)	146	114	-	-	146	114	-	-
"Affrancamento" gain (AG)	-	-	-	-	-	-	114	78
Off-balance sheet DTA	-	-	105	80	-	-	105	80
Total impact on tax	**146**	**114**	**272**	**190**	**146**	**114**	**424**	**296**
Reclassification of held-for-sale operations (IRB)	-	-	-	-	(7)	(10)	(1)	(1)
Capital gain La Médicale (GEA)	-	-	-	-	101	101	-	-
Reclassification of held-for-sale operations Crédit du Maroc (IRB)	(14)	(14)	-	-	(14)	(14)	-	-
Ongoing sale project (WM)	-	-	-	-	-	-	5	5
Total impact on Net income from discounted or held-for-sale operations	**(14)**	**(14)**	**-**	**-**	**80**	**77**	**3**	**3**
Total impact of specific items	***41***	***25***	***(189)***	***(7)***	***(18)***	***(32)***	***361***	***447***
Asset gathering	***-***	***-***	***(16)***	***(8)***	***42***	***71***	***100***	***72***
French Retail banking	***-***	***-***	***9***	***6***	***34***	***24***	***(14)***	***(10)***
International Retail banking	***132***	***100***	***(292)***	***(78)***	***(121)***	***(138)***	***71***	***200***
Specialised financial services	***(8.13)***	***(16)***	***108***	***66***	***(8)***	***(16)***	***113***	***71***
Large customers	***(63)***	***(45)***	***(19)***	***(8)***	***2***	***1***	***(61)***	***(33)***
Corporate centre	***(20)***	***(13)***	***22***	***16***	***32***	***26***	***152***	***146***

** Impact before tax and before minority interests*

Appendix 2 – Credit Agricole Group: results by business lines

Crédit Agricole Group – Results by business line, Q4-22 and Q4-21

	Q4-22 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**3,428**	**915**	**916**	**1,940**	**710**	**1,712**	**(187)**	**9,434**
Operating expenses excl. SRF	(2,530)	(581)	(610)	(796)	(359)	(1,000)	(288)	(6,164)
SRF	-	-	-	-	-	-	-	-
Gross operating income	**898**	**334**	**306**	**1,144**	**351**	**712**	**(475)**	**3,270**
Cost of risk	(307)	(78)	(190)	(11)	(145)	(15)	(7)	(753)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	0	-	1	24	68	4	(0)	97
Net income on other assets	(1)	3	1	(4)	(2)	(9)	(1)	(13)
Income before tax	**590**	**259**	**118**	**1,152**	**271**	**693**	**(483)**	**2,600**
Tax	(128)	(51)	106	(333)	(61)	(156)	278	(344)
Net income from discont'd or held-for-sale ope.	(0)	-	(28)	3	(3)	1	0	(27)
Net income	**462**	**208**	**196**	**823**	**207**	**537**	**(205)**	**2,229**
Non controlling interests	(0)	(0)	(28)	(112)	(26)	(28)	4	(189)
Net income Group Share	**462**	**208**	**168**	**711**	**182**	**510**	**(201)**	**2,040**

	Q4-21 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**3,680**	**939**	**1,608**	**842**	**686**	**1,565**	**181**	**9,500**
Operating expenses excl. SRF	(2,337)	(603)	(733)	(867)	(347)	(975)	(246)	(6,109)
SRF	-	-	-	-	-	-	-	-
Gross operating income	**1,343**	**336**	**875**	**(25)**	**338**	**590**	**(65)**	**3,391**
Cost of risk	(130)	(54)	1	(455)	(136)	(1)	(8)	(783)
Cost of legal risk	-	-	-	-	-	-	-	-
Equity-accounted entities	1	-	21	2	67	2	-	92
Net income on other assets	22	4	0	(0)	(14)	0	(3)	10
Income before tax	**1,235**	**285**	**898**	**(359)**	**256**	**591**	**(76)**	**2,829**
Tax	(292)	(70)	(175)	330	57	(157)	37	(269)
Net income from discont'd or held-for-sale ope.	-	-	(0)	4	-	-	(0)	4
Net income	**943**	**215**	**723**	**(25)**	**313**	**434**	**(39)**	**2,564**
Non controlling interests	(0)	(0)	(116)	(1)	(75)	(18)	0	(210)
Net income Group Share	**943**	**215**	**607**	**(26)**	**238**	**416**	**(39)**	**2,354**

Crédit Agricole Group – Results by business line, 2022 and 2021

	2022 (stated)							
€m	RB	LCL	IRB	AG	SFS	LC	CC	Total
Revenues	**14,188**	**3,851**	**3,373**	**6,902**	**2,782**	**7,012**	**55**	**38,162**
Operating expenses excl. SRF	(9,441)	(2,321)	(2,131)	(3,322)	(1,443)	(3,905)	(1,088)	(23,650)
SRF	(156)	(69)	(38)	(7)	(34)	(442)	(56)	(803)
Gross operating income	**4,591**	**1,462**	**1,204**	**3,573**	**1,304**	**2,665**	**(1,090)**	**13,709**
Cost of risk	(1,136)	(237)	(701)	(17)	(533)	(251)	(18)	(2,893)
Equity-accounted entities	5	-	2	88	308	15	-	419
Net income on other assets	24	8	7	(2)	2	(8)	(2)	28
Change in value of goodwill	-	-	-	-	-	-	-	-
Income before tax	**3,483**	**1,232**	**513**	**3,642**	**1,081**	**2,421**	**(1,109)**	**11,264**
Tax	(853)	(300)	(67)	(830)	(222)	(592)	356	(2,508)
Net income from discontinued or held-for-sale operations	(0)	-	(7)	123	0	-	0	116
Net income	**2,630**	**932**	**439**	**2,935**	**860**	**1,830**	**(753)**	**8,873**
Non controlling interests	(1)	(0)	(113)	(422)	(109)	(91)	6	(729)
Net income Group Share	**2,630**	**932**	**327**	**2,513**	**751**	**1,739**	**(747)**	**8,144**

	2021 (stated)							
€m	RB	LCL	AG	IRB	SFS	LC	CC	Total
Revenues	**14,096**	**3,696**	**6,528**	**3,180**	**2,692**	**6,318**	**312**	**36,822**
Operating expenses excl. SRF	(8,986)	(2,312)	(3,005)	(2,299)	(1,379)	(3,707)	(913)	(22,602)
SRF	(87)	(59)	(7)	(33)	(23)	(328)	58	(479)
Gross operating income	**5,023**	**1,325**	**3,516**	**848**	**1,290**	**2,283**	**(543)**	**13,741**
Cost of risk	(606)	(222)	(18)	(786)	(505)	(39)	(18)	(2,193)
Equity-accounted entities	(11)	-	84	3	307	8	-	392
Net income on other assets	28	6	(0)	(13)	(8)	(39)	0	(27)
Change in value of goodwill	-	-	-	497	-	0	-	497
Income before tax	**4,434**	**1,109**	**3,582**	**549**	**1,084**	**2,212**	**(561)**	**12,409**
Tax	(1,249)	(309)	(643)	198	(120)	(512)	172	(2,463)
Net income from discontinued or held-for-sale operations	-	-	5	1	-	-	(0)	6
Net income	**3,185**	**800**	**2,944**	**748**	**964**	**1,700**	**(389)**	**9,953**
Non controlling interests	(1)	(0)	(501)	(132)	(157)	(57)	(4)	(852)
Net income Group Share	**3,184**	**800**	**2,443**	**617**	**808**	**1,643**	**(393)**	**9,101**

Appendix 3 – Crédit Agricole S.A.: results by business line

Crédit Agricole S.A. – Results by business line, Q4-22 and Q4-21

	Q4-22 (stated)						
€m	**AG**	**LC**	**SFS**	**FRB (LCL)**	**IRB**	**CC**	**Total**
Revenues	**1,937**	**1,712**	**710**	**915**	**896**	**(201)**	**5,969**
Operating expenses excl. SRF	(796)	(1,000)	(359)	(581)	(593)	(232)	(3,561)
SRF	-	-	-	-	-	-	-
Gross operating income	**1,142**	**712**	**351**	**334**	**303**	**(433)**	**2,408**
Cost of risk	(11)	(15)	(145)	(78)	(189)	(4)	(443)
Equity-accounted entities	24	4	68	-	1	(16)	80
Net income on other assets	(4)	(9)	(2)	3	1	0	(10)
Income before tax	**1,150**	**693**	**271**	**259**	**115**	**(453)**	**2,035**
Tax	(332)	(156)	(61)	(51)	106	269	(224)
Net income from discontinued or held-for-sale operations	3	1	(3)	-	(28)	0	(27)
Net income	**821**	**537**	**207**	**208**	**194**	**(184)**	**1,784**
Non controlling interests	(117)	(38)	(26)	(9)	(44)	6	(228)
Net income Group Share	**705**	**499**	**182**	**199**	**150**	**(177)**	**1,557**

	Q4-21 (stated)						
€m	**AG**	**LC**	**SFS**	**FRB (LCL)**	**IRB**	**CC**	**Total**
Revenues	**1,608**	**1,566**	**690**	**939**	**824**	**187**	**5,815**
Operating expenses excl. SRF	(733)	(975)	(352)	(603)	(851)	(207)	(3,720)
SRF	-	-	-	-	-	-	-
Gross operating income	**876**	**591**	**338**	**336**	**(26)**	**(19)**	**2,094**
Cost of risk	1	(1)	(136)	(54)	(451)	(6)	(647)
Equity-accounted entities	21	2	67	-	2	(10)	82
Net income on other assets	0	0	(14)	4	(0)	(0)	(9)
Income before tax	**898**	**592**	**256**	**285**	**(356)**	**(36)**	**1,640**
Tax	(175)	(157)	57	(70)	330	24	9
Net income from discontinued or held-for-sale operations	(1)	-	-	-	4	-	4
Net income	**723**	**435**	**313**	**215**	**(23)**	**(12)**	**1,652**
Non controlling interests	(122)	(25)	(75)	(10)	6	1	(224)
Net income Group Share	**602**	**410**	**238**	**205**	**(16)**	**(11)**	**1,428**

Crédit Agricole S.A. – Results by business line, 2022 and 2021

€m	2022 (stated)						
	AG	LC	SFS	FRB (LCL)	IRB	CC	Total
Revenues	**6,885**	**7,013**	**2,782**	**3,851**	**3,299**	**(28)**	**23,801**
Operating expenses excl. SRF	(3,322)	(3,905)	(1,443)	(2,321)	(2,067)	(876)	(13,932)
SRF	(7)	(442)	(34)	(69)	(38)	(56)	(647)
Gross operating income	**3,556**	**2,666**	**1,304**	**1,462**	**1,194**	**(960)**	**9,222**
Cost of risk	(17)	(251)	(533)	(237)	(700)	(9)	(1,746)
Equity-accounted entities	88	15	308	-	2	(43)	371
Net income on other assets	(2)	(8)	2	17	7	0	15
Change in value of goodwill	-	-	-	-	-	-	-
Income before tax	**3,625**	**2,423**	**1,081**	**1,242**	**504**	**(1,013)**	**7,862**
Tax	(825)	(592)	(222)	(300)	(66)	343	(1,662)
Net income from discontinued or held-for-sale operations	123	-	0	-	(7)	0	116
Net income	**2,923**	**1,831**	**860**	**941**	**432**	**(670)**	**6,316**
Non controlling interests	(436)	(120)	(109)	(42)	(159)	(13)	(880)
Net income Group Share	**2,486**	**1,711**	**751**	**899**	**273**	**(682)**	**5,437**

€m	2021 (stated)						
	AG	LC	SFS	FRB (LCL)	IRB	CC	Total
Revenues	**6,527**	**6,319**	**2,697**	**3,696**	**3,113**	**306**	**22,657**
Operating expenses excl. SRF	(3,005)	(3,707)	(1,383)	(2,312)	(2,242)	(779)	(13,429)
SRF	(7)	(328)	(23)	(59)	(33)	58	(392)
Gross operating income	**3,515**	**2,284**	**1,290**	**1,325**	**838**	**(415)**	**8,836**
Cost of risk	(18)	(39)	(505)	(222)	(779)	(12)	(1,576)
Equity-accounted entities	84	8	307	-	3	(29)	373
Net income on other assets	(0)	(39)	(8)	6	(13)	3	(51)
Change in value of goodwill	-	0	-	-	497	-	497
Income before tax	**3,581**	**2,213**	**1,084**	**1,109**	**545**	**(453)**	**8,080**
Tax	(642)	(512)	(120)	(309)	199	148	(1,236)
Net income from discontinued or held-for-sale operations	5	-	-	-	1	-	5
Net income	**2,944**	**1,701**	**964**	**800**	**745**	**(305)**	**6,849**
Non controlling interests	(524)	(90)	(157)	(36)	(187)	(12)	(1,005)
Net income Group Share	**2,420**	**1,611**	**808**	**764**	**558**	**(317)**	**5,844**

Appendix 4 – Methods used to calculate earnings per share, net asset value per share

Crédit Agricole S.A. - data per share

(€m)		Q4-2022	Q4-2021	2022	2021	∆ Q4/Q4	∆ 2022/2021
Net income Group share - stated		1,557	1,428	5,437	5,844	+9.0%	(7.0%)
- Interests on AT1, including issuance costs, before tax		(85)	(63)	(412)	(353)	+34.9%	+16.7%
NIGS attributable to ordinary shares - stated	[A]	1,472	1,365	5,025	5,491	+7.8%	(8.5%)
Average number shares in issue, excluding treasury shares (m)	[B]	3,025	3,022	2,989	2,990	+0.1%	(0.0%)
Net earnings per share - stated	**[A]/[B]**	**0.49 €**	**0.45 €**	**1.68 €**	**1.84 €**	**+7.7%**	**(8.5%)**
Underlying net income Group share (NIGS)		1,531	1,435	5,468	5,397	+6.7%	+1.3%
Underlying NIGS attributable to ordinary shares	[C]	1,446	1,372	5,056	5,044	+5.4%	+0.2%
Net earnings per share - underlying	**[C]/[B]**	**0.48 €**	**0.45 €**	**1.69 €**	**1.69 €**	**+5.2%**	**+0.3%**

(€m)		31/12/2022	31/12/2021
Shareholder's equity Group share		64,633	68,217
- AT1 issuances		(5,989)	(4,888)
- Unrealised gains and losses on OCI - Group share		3,536	(2,125)
- Payout assumption on annual results*		(3,175)	(3,176)
Net book value (NBV), not revaluated, attributable to ordin. sh.	**[D]**	**59,005**	**58,027**
- Goodwill & intangibles** - Group share		(18,395)	(18,581)
Tangible NBV (TNBV), not revaluated attrib. to ordinary sh.	**[E]**	**40,610**	**39,446**
Total shares in issue, excluding treasury shares (period end, m)	[F]	3,023.6	3,025.2
NBV per share , after deduction of dividend to pay (€)	[D]/[F]	19.5 €	19.2 €
+ Dividend to pay (€)	[H]	1.05 €	1.05 €
NBV per share , before deduction of dividend to pay (€)		20.6 €	20.2 €
TNBV per share, after deduction of dividend to pay (€)	[G]=[E]/[F]	13.4 €	13.0 €
TNBV per sh., before deduct. of divid. to pay (€)	[G]+[H]	14.5 €	14.1 €

** dividend proposed to the Board meeting to be paid*

*** including goodwill in the equity-accounted entities*

(€m)		2022	2021
Net income Group share - stated	[K]	5,437	5,844
Impairment of intangible assets	[L]	0	0
IFRIC	[M]	0	0
Stated NIGS annualised	[N] = ([K]-[L]-[M])*4/4+[M]	5,437	5,844
Interests on AT1, including issuance costs, before tax, annualised	[O]	-412	-353
Stated result adjusted	[P] = [N]+[O]	5,025	5,491
Tangible NBV (TNBV), not revaluated attrib. to ord. sh. - avg***	[J]	40,028	38,645
Stated ROTE adjusted (%)	= [P] / [J]	12.6%	14.2%
Underlying Net income Group share	[Q]	5,468	5,397
Underlying NIGS annualised	[R] = ([Q]-[M])*4/4+[M]	5,468	5,397
Underlying NIGS adjusted	[S] = [R]+[O]	5,056	5,044
Underlying ROTE adjusted(%)	= [S] / [J]	12.6%	13.1%

**** including assumption of dividend for the current exercise*

Alternative Performance Indicators[87]

NBV Net Book Value not re-evaluated

The Net Book Value not re-evaluated corresponds to the shareholders' equity Group share from which the amount of the AT1 issues, the unrealised gains and/or losses on OCI Group share and the pay-out assumption on annual results have been deducted.

NBV per share Net Book Value per share - NTBV per share Net Tangible Book Value per share

One of the methods for calculating the value of a share. This represents the Net Book Value divided by the number of shares in issue at end of period, excluding treasury shares.

Net Tangible Book Value per share represents the Net Book Value after deduction of intangible assets and goodwill, divided by the number of shares in issue at end of period, excluding treasury shares.

EPS Earnings per Share

This is the net income Group share, from which the AT1 coupon has been deducted, divided by the average number of shares in issue excluding treasury shares. It indicates the portion of profit attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, assuming the net income Group share remains unchanged, if the number of shares increases.

Cost/income ratio

The cost/income ratio is calculated by dividing operating expenses by revenues, indicating the proportion of revenues needed to cover operating expenses.

Cost of risk/outstandings

Calculated by dividing the cost of credit risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period). It can also be calculated by dividing the annualised cost of credit risk for the quarter by outstandings at the beginning of the quarter. Similarly, the cost of risk for the period can be annualised and divided by the average outstandings at the beginning of the period.

Since the first quarter of 2019, the outstandings taken into account are the customer outstandings, before allocations to provisions.

The calculation method for the indicator is specified each time the indicator is used.

Doubtful loan

Defaulting loan. The debtor is considered to be in default when at least one of the following conditions has been met:

- a payment generally more than 90 days past due, unless specific circumstances point to the fact that the delay is due to reasons independent of the debtor's financial situation;
- the entity believes that the debtor is unlikely to settle its credit obligations unless it avails itself of certain measures such as enforcement of collateral security right.

Impaired loan

Loan which has been provisioned due to a risk of non-repayment.

MREL

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European "Bank Recovery and Resolution Directive" (BRRD). This Directive establishes a framework for the resolution of banks throughout the European Union, with the aim to provide resolution authorities with shared instruments and powers to pre-emptively tackle banking crises, preserve financial stability

[87] *APM indicators are financial indicators not presented in the financial statements or defined in accounting standards but used in the context of financial communications. They are used to facilitate the understanding of the company's actual performance. Each APM indicator is matched in its definition to accounting data.*

and reduce taxpayers' exposure to losses. Directive (EU) 2019/879 of 20 May 2019 known as "BRRD2" amended the BRRD and was transposed into French law by Order 2020-1636 of 21 December 2020.

The MREL ratio corresponds to an own funds and eligible liabilities buffer required to absorb losses in the event of resolution. Under BRRD2, the MREL ratio is calculated as the amount of eligible capital and liabilities expressed as a percentage of risk weighted assets (RWA), as well as a leverage ratio exposure (LRE). Are eligible for the numerator of the total MREL ratio the Group's regulatory capital, as well as eligible liabilities issued by the central body and the Crédit Agricole network affiliated entities, i.e. subordinated notes, senior non-preferred debt instruments and certain senior preferred debt instruments with residual maturities of more than one year.

Impaired (or doubtful) loan coverage ratio

This ratio divides the outstanding provisions by the impaired gross customer outstandings.

Impaired (or doubtful) loan ratio

This ratio divides the gross customer outstandings depreciated on an individual basis, before provisions, by the total gross customer outstandings.

TLAC

The Financial Stability Board (FSB) has defined the calculation of a ratio aimed at estimating the adequacy of the bail-in and recapitalisation capacity of Global Systemically Important Banks (G-SIBs). This Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SIBs have sufficient bail-in and recapitalisation capacity before and during resolution. It applies to Global Systemically Important Banks, and therefore to Crédit Agricole Group.

The Group's regulatory capital as well as subordinated notes and eligible senior non-preferred debt with residual maturities of more than one year issued by Crédit Agricole S.A. are eligible for the numerator of the TLAC ratio.

Net income Group share

Net income/(loss) for the financial year (after corporate income tax). Equal to net income Group share, less the share attributable to non-controlling interests in fully consolidated subsidiaries.

Underlying Net income Group share

The underlying net income Group share represents the stated net income Group share from which specific items have been deducted (i.e. non-recurring or exceptional items).

Net income Group share attributable to ordinary shares

The net income Group share attributable to ordinary shares represents the net income Group share from which the AT1 coupon has been deducted, including issuance costs before tax.

RoTE Return on Tangible Equity

The RoTE (Return on Tangible Equity) measures the return on tangible capital by dividing the Net income Group share annualised by the group's NBV net of intangibles and goodwill. The annualised Net income Group share corresponds to the annualisation of the Net income Group share (Q1x4; H1x2; 9Mx4/3) excluding impairments of intangible assets and restating each period of the IFRIC impacts in order to linearise them over the year.

Disclaimer

The financial information on Crédit Agricole S.A. and Crédit Agricole Group for the fourth quarter and full year 2022 comprises this presentation and the attached appendices and press release which are available on the website: https://www.credit-agricole.com/finance/publications-financieres.

This press release may include prospective information on the Group, supplied as information on trends. This data does not represent forecasts within the meaning of EU Delegated Act 2019/980 of 14 March 2019 (chapter 1, article 1, d).

This information was developed from scenarios based on a number of economic assumptions for a given competitive and regulatory environment. Therefore, these assumptions are by nature subject to random factors that could cause actual results to differ from projections. Likewise, the financial statements are based on estimates, particularly in calculating market value and asset impairment.

Readers must take all these risk factors and uncertainties into consideration before making their own judgement.

Applicable standards and comparability

The figures presented for the twelve-month period ending 31 December 2022 have been prepared in accordance with IFRS as adopted in the European Union and applicable at that date, and with prudential regulations currently in force. This financial information does not constitute a set of financial statements for an interim period as defined by IAS 34 "Interim Financial Reporting" and has not been audited.

Note: The scopes of consolidation of the Crédit Agricole S.A. and Crédit Agricole Groups have not changed materially since the Crédit Agricole S.A. 2021 Universal Registration Document and its A.01 update (including all regulatory information about the Crédit Agricole Group) were filed with the AMF (the French Financial Markets Authority).

The sum of values contained in the tables and analyses may differ slightly from the total reported due to rounding.

At 30 June 2021, following the buyback by Crédit Agricole Consumer Finance of 49% of the share capital of the CACF Bankia S.A. joint venture, CACF Bankia S.A. is fully consolidated in Crédit Agricole S.A.'s consolidated financial statements.

As at 30 June 2021 following the takeover bid launched by Crédit Agricole Italia for Credito Valtellinese, 100% of Credito Valtellinese is held by Crédit Agricole Italia and is fully consolidated in the consolidated financial statements of Crédit Agricole S.A.

At 31 December 2021, Amundi announcement completion of the Lyxor acquisition. Lyxor is fully consolidated in the consolidated financial statements of Crédit Agricole S.A. The transaction had no impact on Crédit Agricole S.A.'s consolidated income at 31 December 2021.

Financial Agenda

10 May 2023	Publication of the 2023 first quarter results
17 May 2023	Annual General Meeting in Paris
4 August 2023	Publication of the 2023 third quarter and the first half year results
8 November 2023	Publication of the 2023 third quarter and first 9 months results

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