



PRESS RELEASE

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The Corporate and Investment Bank of the Group Crédit Agricole: A solid and profitable bank of experts committed to serving Corporates

Today, Crédit Agricole CIB presents the details of its targets for 2022, which form part of the Group project and Crédit Agricole Group Medium Term Plan 2022.

Crédit Agricole CIB is a corporate and investment bank which has chosen **to focus more on financing activities and corporate clients, and which is based on a powerful and well-coordinated international network.**

Its **resilient, profitable and conservative business model** is based on:

- A client-focused organisation, with an automated and systematic measure of the profitability,
- High value-added financing activities generating a strong RONE⁽¹⁾,
- Market activities which complement the financing activities for its clients,
- A low risk profile, supported by an expert and conservative approach on its exposures.

Within the framework of the MTP 2022, the **targets for 2022** combine:

- **A RONE remaining above 10%;**
- **Contained RWA⁽²⁾**, with an RWA target of €123bn in 2022;
- **A revenue growth of +3% on average per year by 2022**, driven by all business lines:
 - o Development of the transactional commercial bank (accounting for ~25% of the revenue growth between 2018 and 2022)
 - o Priority given to eight key sectors (revenue growth of +5% on average per year),
 - o Revenue growth of +€300m for FICC,
 - o Doubling the size of the green loan portfolio.
- **A low cost/income ratio** (less than 55%), with a cost reduction of €190m enabling to keep investing,
- The above being based on the assumption of a normalisation of the cost of risk: 20 to 25 bp.

Crédit Agricole CIB is also going to roll out several cross-functional projects, including:

- A **human-centric project** aiming at building the future by onboarding the new generation of experts, at empowering the employees and at significantly communicating the values of the Group,
- **Continuously strengthening the expertise of the business lines** - the core of the resilience of the model,
- Implementing a three-year **data project**, which forms the foundation of the digital strategy,
- Consolidating its role as a **leader in green and sustainable finance**, extending its offering of sustainable solutions to all business lines.

(1) corresponding to an RWA allocation of 9.5%

(2) stable RWA excluding regulatory, BSF and FX impacts

A resilient and profitable model

The Crédit Agricole CIB model is based on:

- A predominantly Corporate client base (70% of the commercial revenues in 2018),
- Revenues driven by financing solutions (75% of the commercial revenues),
- A powerful and well-coordinated international network (70% of the commercial revenues generated outside of France).

This model, redefined after 2007/08 and deployed since 2011, generates recurring revenues, while keeping the level of exposure to market volatility low. The risk profile is low thanks to an expert and conservative approach. Last, Crédit Agricole CIB posts a low cost/income ratio, contributing to a high RONE.

A confirmed international and client strategy, with Asia-Pacific as a growth driver

Client coverage now operates via a unified organisation, regrouping 330 senior bankers and 220 investment bankers. This allows for greater agility in the allocation of resources and improved client selection. It is combined with a sector-based approach, focussing on **eight sectors which Crédit Agricole CIB anticipates will generate revenue growth of +5% on average per year by 2022.**

In terms of geography, **Asia-Pacific** is the first growth driver for Crédit Agricole CIB, with a **revenue growth target of +6.4% on average per year by 2022, of which around +€100m by 2022 will be from China.**

Expertise in structured financing activities and great ambitions for the commercial bank

Crédit Agricole CIB has long since demonstrated its leadership in assets financing activities.

Its targets for the financing activities are to:

- **Maintain its leadership in real assets financing**,
- Support growth by promoting **high value-added solutions** (revenue growth of +6% on average per year for the Acquisition Finance and Advisory activity),
- **Strengthen its distribution capacities** through a global and unified platform,
- **Accelerate the development of the transactional commercial bank.** This activity will contribute to around 25% of Crédit Agricole CIB's revenue growth by 2022.

Market activities supplementing financing activities, with targets for increased profitability

The new organisation of market activities aims to mirror clients' needs. It covers both financing and funding market solutions (credit and securitisation), and hedging and investment products.

The ambition is to **achieve around €2bn in revenues from FICC activities by 2022.** Optimising the set-up will **reduce direct costs by around 10% over the same time period.**

To strengthen this strategy, Crédit Agricole CIB will leverage green and sustainable finance, data and digital solutions

A world leader in green and sustainable finance activities, Crédit Agricole CIB want to go one step further by:

- Expanding the offer of sustainable development solutions to all Crédit Agricole CIB's business lines,
- Doubling the size of the green loan portfolio to achieve €13bn by 2022,
- Remaining in the Top 5 world ranking in green and sustainable finance.

Crédit Agricole will also roll out a **three-year data project, forming the foundation of its long-term digital strategy**, and has created an **innovation team that directly reports to the CEO** of Crédit Agricole CIB.

About Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB)

Crédit Agricole CIB is the corporate and investment banking arm of Credit Agricole Group, the 12th largest banking group worldwide in terms of tier 1 capital (The Banker, July 2019). Nearly 8,000 employees across Europe, the Americas, Asia-Pacific, the Middle East and Africa support the Bank's clients, meeting their financial needs throughout the world. Crédit Agricole CIB offers its large corporate and institutional clients a range of products and services in capital markets activities, investment banking, structured finance, commercial banking and international trade. The Bank is a pioneer in the area of climate finance, and is currently a market leader in this segment with a complete offer for all its clients.

For more information, please visit www.ca-cib.com

