CRÉDIT AGRICOLE CIB FINANCE LUXEMBOURG SA

31-33, Avenue Pasteur
L-2311 Luxembourg

R.C.S. Luxembourg : B224538

Financial statements,
Director's report and Independent auditor's report

31 December 2021

Contents

OFFICERS AND INDEPENDENT AUDITOR

BOARD OF DIRECTORS
L. Ricci, Director
L. Malecki, Director
A. Elliott, Director (resigned on April 30th 2021)
J. Weiss, Director (appointed on May 5th 2021)

SECRETARY
Alter Domus Alternative Asset Fund Administration S.à r.l.
15, Boulevard F.W. Raiffeisen
L-2411 Luxembourg

REGISTERED OFFICE
31-33, Avenue Pasteur
L-2311 Luxembourg

INDEPENDENT AUDITOR
Ernst & Young S.A.
35 E, Avenue John F. Kennedy
L-1855 Luxembourg

DIRECTORS' REPORT AND CORPORATE GOVERNANCE STATEMENT

The Directors present their report and the financial statements for the year ended December 31,2021.

ACTIVITIES

The sole activity of Crédit Agricole CIB Finance Luxembourg SA (the "Company") consists of issuing Notes and / Warrants with returns linked to underlying share, index and / or fund. Crédit Agricole Corporate and Investment Bank (hereafter "Crédit Agricole CIB") systematically buys them and funds raised by the Company are systematically deposited to Crédit Agricole CIB (at market floating rate plus a margin used to cover general operating expenses of the Company).

During the year 2021, the Company issued the following:

- 105 series of notes for an aggregate nominal amount of EUR 1,168,800,00 with an average legal maturity of 3.7 years;
- 2 series of notes for an aggregate nominal amount of AUD 23,000,000 with an average legal maturity of 9.9 years;
- 2 series of notes for an aggregate nominal amount of CHF 5,515,000 with an average legal maturity of 1 year;
- 4 series of notes for an aggregate nominal amount of GBP 19,084,240 with an average legal maturity of 5.2 years;
- 6 series of notes for an aggregate nominal amount of JPY 5,400,000,000 with an average legal maturity of 10.5 years; and
- 99 series of notes for an aggregate nominal amount of USD 293,408,000 with an average legal maturity of 3.3 years.

Proceeds of the issuances were placed on deposit with Crédit Agricole CIB to be applied for general corporate funding purposes and, occasionally, for specific structuration purposes. Each series of structured medium term notes is guaranteed by Crédit Agricole CIB.

In addition, the Company and Crédit Agricole CIB systematically enters into derivatives, such as swaps and options, in order to economically hedge the Notes, Warrants and deposits. Consequently, the Company bears no net market risk and no credit risk other than the Crédit Agricole CIB credit risk.

The Company is wholly owned subsidiary of Crédit Agricole CIB, who is in turn a wholly-owned subsidiary of Crédit Agricole S.A.

. As of December 31,2021 The Company has issued thirteen notes that are listed on a regulated market:

- One is listed on the London Stock Exchange in London, England
- Three are listed on the Luxembourg Stock Exchange, Luxembourg
- Three are listed on the Euro MTF, Luxembourg
- Six are listed on the Euronext in Paris, France

During the year 2021, the Company had no branches and did not perform any activities in the field of research and development.

RESULTS AND PROFIT OR LOSS AND OTHER

The statement of profit or loss and other comprehensive income for the year is set out on page 11.

The Directors do not recommend a payment of dividend for the year ended December 31,2021 (nil for the year ended December 31,2020)

EVENTS OF THE PERIOD

Despite the health crisis, the outlook for 2021 remains favorable. Indeed, the strength of the recovery of the global manufacturing cycle is creating a virtuous circle of demand for capital goods from which European producers are benefiting.
In the euro zone, the ECB confirmed the very accommodating and flexible stance of its monetary policy. Thus, the interest rates on the main refinancing operations as well as those on the marginal lending facility and the deposit facility will remain unchanged (at 0.00%, +0.25% and -0.50% respectively).
The evolution of the bond markets can be roughly divided into two parts: an enthusiastic first quarter driven by the reflation trade, and a sullen second quarter caught up by the reality of the pandemic.

OUTLOOK FOR 2022

At this stage, despite the current situation with Covid-19 and the conflict between Ukraine and Russia, it is expected that the volume and the aggregate nominal amount of issuance of structured medium term notes will increase during the year 2022.

From January 1, 2022 to March 31, 2022, the Company issued the following:

- 39 series of notes for an aggregate nominal amount of EUR 743,845,000 with an average legal maturity of 4.2 years;
- 1 series of note of an amount of AUD 3,000,000 with a legal maturity of 5 years;
- 5 series of notes for an aggregate nominal about of CHF 24,550,000 with an average legal maturity of 2.1 years;
- 6 series of notes for an aggregate nominal about of GBP 56,000,000 with an average legal maturity of 5.3 years;
- 2 series of notes for an aggregate nominal about of JPY 700,000,000 with an average legal maturity of 7.4 years; and
- 26 series of notes for an aggregate nominal about of USD 93,555,000 with an average legal maturity of 3.2 years.

Proceeds of the issuances were placed on deposit with Crédit Agricole CIB to be applied for general corporate funding purposes. Each series of structured medium-term notes is guaranteed by Crédit Agricole CIB.

RISK MANAGEMENT

We refer to Note 3 to the financial statements.

SUBSEQUENT EVENTS

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.
Additional sanctions have been made following military operations initiated by Russia on 24 February 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT.

Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities.
The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

The Board of Directors has performed an analysis towards the Company's potential exposure to the above.
The Board of Directors regards these events as non-adjusting events after the reporting period. At the date of this report, the Company including its going concern is not impacted (directly or indirectly) by the above and the situation including the possible impact of changing micro- and macroeconomic conditions will be continued to be monitored.

There is no new financing granted to Russian counterparties since the beginning of the conflict.
Overall, these exposures, which are limited in total amount and of excellent quality, are closely monitored.

The Company is perfectly hedging its currency positions in RUB through a CCIRS with its parent company. Therefore, the devaluation of the RUB during the first quarter of the year 2022 has no impact for the Company.

DIRECTORS

The present membership of the Board is set out on page 3.

INDEPENDENT AUDITOR

The independent auditor, Ernst & Young, is eligible for reappointment.

STATEMENT BY THE RESPONSIBLE PERSON

I, the undersigned Jérôme Weiss, confirm that, to the best of my knowledge, the financial statements prepared in accordance with the applicable set of accounting standards give a true and fair view of the assets, liabilities, financial position and profit or loss of Crédit Agricole CIB Finance Luxembourg SA and that the directors' report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

CORPORATE GOVERNANCE STATEMENT

Pursuant to the principle of corporate governance published by the Luxembourg Stock Exchange, which first came into effect on January 1st, 2007, this report was prepared by the Board of Directors as a supplement to the Directors' report. It presents notably the information which is required under the Civil Code, the Law of August 10, 2015 on Commercial Companies, as amended and the rules and regulation of the Luxembourg Stock Exchange, in particular, the corporate governance framework, the Board of Directors' remit, the composition of the Board of Directors, the appointment procedure of members of the Board of Directors, the professional ethics, the executive Management, the remuneration policy, the financial statement, the internal control and risk management, the corporate social responsibility and the rights of its sole shareholder.

This report was prepared based on the work of the Board of Directors and of their Office Manager.

As a preliminary, you are reminded that Crédit Agricole CIB Finance Luxembourg SA applies the Ten Principles of Corporate Governance of Luxembourg Stock Exchange (the "**LSE Principles**").

THE BOARD OF DIRECTORS' REMINT

The Board of Directors is aware of the relevant laws and regulations which apply to the Company.

The Board of Directors is responsible for managing the business affairs of the Company in accordance with the Articles of Association. The Directors may delegate certain functions, but not their responsibility to other parties, subject to the supervision and direction of the Directors. The Board of Directors is responsible for the preparation and the fair presentation of the financial statements. In preparing the financial statement, the Board of Directors is responsible for assessing the Company ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis on accounting unless the Board of Directors either interest to liquidate the Company or to cease operation.

COMPOSITION OF THE BOARD OF DIRECTORS

The Company's Article of Association (see article 13) stipulates that the Board of Directors must be composed of at least three members, whether shareholders or not.

The Directors are appointed by the General Meeting who determine the number, their remuneration and the duration of their mandate, which shall not exceed six years.

As of December 31, 2021, the average age of Directors was 45.

Directors as of December 31, 2021:

Directors	Date of first appointment	End of the current term of office
Jérôme Weiss	05/05/2021	05/05/2027
Lukasz Malecki	07/05/2018	07/05/2024
Laurent Ricci	07/05/2018	07/05/2024

The Board of Directors also noted that they did not have any conflict of interest.

THE APPOINTMENT PROCEDURE OF MEMBER OF THE BOARD OF DIRECTORS

In accordance with its social responsibility policy, that Crédit Agricole CIB Finance Luxembourg SA aims to promote diversity at all levels, particularly among members of its Board of Directors. To this end, when considering new appointments, the Board of Directors takes diversity into account to ensure a sufficient range of qualities and skills, allowing a variety of points of view relevant to the decision-making process. Priority is given to the candidate's ability to maintain a complementary in career paths, experiences and skills within the Board of Directors. There is no policy concerning the age limit of the members of the Board since priority is given to examining their experience and competence. For this reason, the legal and regulatory requirements naturally lead to the selection of candidates with recognized skills and experience.

This approach aims to ensure that the composition of the Board of Directors reflects the shareholding structure of Crédit Agricole CIB Finance Luxembourg SA, which is 100% indirectly owned by Crédit Agricole Group, as well as to attract directors with diversified and complementary profiles in terms of training, skills and professional experience.

THE PROFESSIONAL ETHICS

The Board of Directors noted that they made decisions in the Company's interest and independently of any conflict of interest.

THE REMUNERATION POLICY

The remuneration policy is set out in the article 13 of the Article of Association.

THE EXECUTIVE MANAGEMENT

The Board of Directors gave authorization to the Global Head of Macro Fixed Income Structuring of Crédit Agricole CIB to execute the issuance documentation on behalf of the Company. The Board of Directors hired an Office Manager for the day to day business of the Company.

THE FINANCIAL STATEMENT, THE INTERNAL CONTROL AND RISK MANAGEMENT

The Board of Directors has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include the appointment of Alter Domus Alternative Asset Fund Administration S.à r.l. as corporate service provider and the appointment of Crédit Agricole CIB as back-office servicer to maintain the accounting records of the Company, the back-office monitoring related to the issuances of notes by the Company. To that end, Crédit Agricole CIB performs reconciliations of its records and Crédit Agricole CIB is contractually obliged to prepare for review and approval by the Board of Directors the financial statements providing a true and fair view of the financial situation of the Company. The Board of Directors evaluates and discusses significant accounting and reporting issues as the need arises. The Board of Directors has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligation on the corporate service provider and on the back-office servicer, the Board of Directors has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process. The back-office servicer is authorised and regulated by the Autorité de Contrôle Prudentiel et de Résolution (the "**ACPR**") and supervised by the European Central Bank (the "**ECB**"), the ACPR and the Autorité des Marchés Financiers (the "**AMF**") in France. The corporate service provider is subject to the supervision of the Luxembourg supervisory authority of the financial sector (the "**CSSF**") as Specialised Professional from the Financial Sector (PFS).

The corporate service provider and the back-office servicer are contractually obliged to design and maintain control structures to manage the risks which are significant for internal control over financial reporting. These control structures include appropriate division of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant caption in the financial statements.

THE CORPORATE SOCIAL RESPONSABILITY

The company has introduced corporate social responsibility (the "**CSR**") sector policies in cooperation with the Group to manage the reputation risks stemming from the social and environmental impacts of its activities. These policies set out analysis criteria for these specific risks, which may cause the Company not to complete a transaction which displays certain characteristics in certain sectors such as armaments, nuclear or coal.

In June 2019, Crédit Agricole Group published a Climate strategy aligned with the Paris agreement. It provides for a progressive reallocation of financing and investment portfolios to make green finance one of the group's growth drivers.

This strategy, has been rolled out by all its entities and subsidiaries, comprises three main pillars.

- An innovative governance to lead the implementation of the Climate Strategy;
- Incorporating energy transition issues into customer relationship; and
- The gradual reallocation of our loan, investments and Asset Under Management portfolios, aligned with the Paris Agreement.

THE RIGHTS OF ITS SOLE SHAREHOLDER

As of December 31, 2021, the Company's share capital consisted of 30,000 ordinary shares with a par value of EUR 1.00 each, giving a share capital of EUR 30,000.00. The shares are 100% owned by Crédit Agricole CIB. The Company's shares have not been offered to the public and are not listed for trading on a regulated market. There are no employee shareholding schemes at the Company and no securities holders with special control or voting rights.

A register is kept at the registered office of Company, where it is available for inspection by its shareholder. Such register contains the name of the shareholder, the number of shares held, the amounts paid up, the postal address of the shareholder. The ownership of the shares is established by the entry in the register.

The procedures for participating in Shareholders' Meetings are set out in the article 21 of the Articles of Association.

Approved by the Board of Directors and signed on behalf of the Board of Directors on April 27th, 2022 by:

Director

RESPONSIBILITY STATEMENT

In accordance with article 3 (2) c) of the law of 11 January 2008 (the "Transparency Law"), as subsequently amended, on transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, we declare that:

- To the best of our knowledge, the financial statements prepared in accordance with International Reporting Standards as adopted by the European Union give a true and faire view of the assets, liabilities, financial position, comprehensive income and cash flows of Credit Agricole CIB Finance Luxembourg S.A.;

- The Director's report includes a faire review of the development, performance of the business and the position of Crédit Agricole CIB Finance Luxembourg S.A. together with a description of the principal risks and uncertainties that it faces.

Jérôme Weiss	Lukasz Malecki	Laurent Ricci
Director	Director	Director

Ernst & Young
Société anonyme

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INDEPENDENT AUDITOR'S REPORT

To the sole Shareholder of
Crédit Agricole CIB Finance Luxembourg SA
31-33, Avenue Pasteur
L-2311 Luxembourg

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Crédit Agricole CIB Finance Luxembourg SA (the "Company"), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the EU Regulation № 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Company in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Mirroring of financial instruments issued

Description

The activity of the Company consists of issuing Notes and Warrants, which are subscribed by Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB"). Funds raised by the Company are systematically deposited with Crédit Agricole CIB. We refer to note 1 to the financial statements.

We have considered the mirroring of these financial assets and liabilities to be a key audit matter taken into account the financial risk which would result from inadequate mirroring of the financial instruments issued by the Company.

How the matter was addressed in our audit

We tested the controls implemented by the Company in relation with the issuance of financial instruments and the conclusion of mirror transactions with Crédit Agricole CIB.

For all the financial instruments issued by the Company as at 31 December 2021, we tested whether the Company has contracted the mirror financial assets with Crédit Agricole CIB.

Also, we inquired about the existence of operational errors during the year and, if applicable, the related financial impact.

Other information

The Board of Directors is responsible for the other information. The other information comprises the information included in the Directors' report and the Corporate governance statement but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS as adopted by the European Union, and for such internal control as the Board of Directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with the ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.
As part of an audit in accordance with EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors;
- Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of "réviseur d'entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern;

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on other legal and regulatory requirements

We have been appointed as “réviseur d’entreprises agréé” by the General Meeting of the Shareholders on 5 May 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

The Directors’ report is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

The corporate governance statement, included in the Directors’ report, is the responsibility of the Board of Directors. The information required by article 68ter paragraph (1) letters c) and d) of the law of 19 December 2002 on the commercial and companies register and on the accounting records and annual accounts of undertakings, as amended, is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

We have checked the compliance of the financial statements of the Company as at 31 December 2021 with relevant statutory requirements set out in the ESEF Regulation that are applicable to the financial statements. For the Company, it relates to:

- Financial statements prepared in valid xHTML format;

In our opinion, the financial statements of the Company as at 31 December 2021, identified as E3639_CA CIB Finance Luxembourg SA - Annual Financial Report - 2021 English, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation.

We confirm that the prohibited non-audit services referred to in EU Regulation No 537/2014 were not provided and that we remained independent of the Company in conducting the audit.

Ernst & Young
Société anonyme
Cabinet de révision agréé

Dorian Rigaud

Luxembourg, 27 April 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

		From 01/01/2021 to 31/12/2021	From 01/01/2020 to 31/12/2020
		EUR	**EUR**
Net gains / (losses) on financial instruments at fair value through profit or loss	Note 13	-	-
Other Income	Note 10	1 124 689	697 323
General operating expenses	Note 14	(1 020 039)	(633 255)
Income Tax	Note 12	(22 654)	(13 570)
NET COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR		**81 996**	**50 498**

The above results for the financial year all relate to continuing activities.

STATEMENT OF FINANCIAL POSITION

		31/12/2021	31/12/2020
ASSETS		**EUR**	**EUR**
Cash at banks	Note 4	29 950	31 381
Derivatives held for trading	Note 6	6 370 569	3 912 976
Financial assets at fair value through profit or loss	Note 5	2 906 849 933	1 676 407 073
Other assets	Note 10	2 291 262	380 694
TOTAL ASSETS		**2 915 541 714**	**1 680 732 124**
LIABILITIES AND SHAREHOLDERS' EQUITY			
CAPITAL AND RESERVES			
Called up share capital	Note 7	30 000	30 000
Retained earnings		67 456	16 958
Reserves	Note 7	3 000	3 000
Profit for the financial year		81 996	50 498
SHAREHOLDERS' EQUITY		**182 452**	**100 456**
Due to banks	Note 4	163 541	129 269
Derivatives held for trading	Note 9	12 572 728	4 574 338
Financial liabilities designated at fair value through profit or loss	Note 8, 15, 16	2 901 936 104	1 675 687 728
Tax liabilities	Note 12	31 575	18 591
Other liabilities	Note 11	655 314	221 742
TOTAL LIABILITIES		**2 915 359 262**	**1 680 631 668**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2 915 541 714**	**1 680 732 124**

In accordance with paragraph 60 of IAS 1, the Company has presented its assets and liabilities in order of their liquidity as this presentation is reliable and relevant taken into consideration its activities.

The notes to the financial statements form an integral part of these financial statements.

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Share capital	Retained earnings	Reserves	Profit of the year	Total Equity
	EUR	EUR	EUR	EUR	EUR
Share capital (Note 7)	30 000	16 958	3 000	-	49 958
2020 profit	-	-	-	50 498	50 498
Equity at December 31, 2020	**30 000**	**16 958**	**3 000**	**50 498**	**100 456**
Allocation of the 2020 profit*	-	50 498	-	(50 498)	-
2021 profit	-		-	81 996	81 996
Equity at December 31, 2021	**30 000**	**67 456**	**3 000**	**81 996**	**182 452**

* Following the resolutions of the Shareholders' Annual General Meeting dated May 5th, 2021.

STATEMENT OF CASH FLOWS

		31/12/2021 EUR	31/12/2020 EUR
OPERATING ACTIVITIES			
Profit for the financial year/period		81 996	50 498
Adjustments for:			
Net (Increase)/ decrease in financial assets		(1 270 253 040)	(1 608 908 337)
Net Increase/ (decrease) in financial liabilities		1 270 253 040	1 608 908 337
(Increase)/ decrease in other assets		(621 703)	(157 377)
Increase/ (decrease) in other liabilities		491 554	65 336
Increase/ (decrease) in tax liabilities		12 450	13 693
Other		-	-
NET CASH FLOWS FROM OPERATING ACTIVITIES		**(35 703)**	**(27 850)**
FINANCING ACTIVITIES		-	-
Capital Issued		-	-
Dividend paid		-	-
NET CASH FLOWS FROM (USED IN) FINANCING ACTIVITIES		-	-
INVESTING ACTIVITIES		-	-
NET CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		-	-
Cash and cash equivalents at the beginning of the year/period		(97 888)	(70 038)
Net increase/(decrease) in cash and cash equivalents		(35 703)	(27 850)
Cash and cash equivalents at the end of the year/period	(Note 4)	**(133 591)**	**(97 888)**
Cash flows from interest and dividends		-	-
Interest paid*		7 499 811	5 236 428
Interest received*		7 499 811	5 236 428
Dividend received		-	-

The entity's activity lies in raising cash by issuing EMTNs and Warrants, and systematically depositing the cash with Crédit Agricole CIB in addition to hedging, through a derivatives portfolio with Crédit Agricole CIB, the market risks arising from its liabilities relating to its EMTN issuance. Hence, all cash flows from these activities are considered to be operational cash flows according to IAS 7 para 15.

* In accordance with the accounting policy of the Company, interest income and expense are recorded under Net gains / (losses) on financial instruments at fair value through profit or loss (dirty price).

The notes to the financial statements form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1. ORGANISATION AND DESCRIPTION OF THE COMPANY

Crédit Agricole CIB Finance Luxembourg SA (the "Company") was incorporated in Luxembourg as a public limited liability company and is a wholly owned subsidiary of Crédit Agricole Corporate and Investment Bank ("Crédit Agricole CIB"), in turn a wholly owned subsidiary of Crédit Agricole S.A. (the "Ultimate Parent Company") incorporated in France.

The Company's only activity consists of issuing Notes or Warrants with returns linked to underlying equity, index and funds. They are systematically bought by Crédit Agricole CIB (the "Parent Company") but are, in almost all cases, on-sold to investors by Crédit Agricole CIB and funds raised by the Company systematically deposited with Crédit Agricole CIB (at market floating rate plus a spread and a margin used to cover general operating expenses of the Company).

In addition, derivatives, such as swaps and options, are systematically entered into by the Company with Crédit Agricole CIB in order to economically hedge the notes, warrants and deposits. As a consequence, the Company bears no net market risk and no credit risk other than the Crédit Agricole CIB risk.

Crédit Agricole CIB has issued an unconditional guarantee under which it guarantees the prompt payment when due of all obligations and liabilities of the Company.

The Company's financial year begins on January 1 and ends on December 31 each year.

The activities, the controls and financial reporting are outsourced and performed in accordance with Crédit Agricole CIB, France procedures. However, the Board of Directors remains responsible for those activities.

The financial statements of the Company are included in the financial statements of Crédit Agricole CIB, which is the smallest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head office is located at 12 place des Etats-Unis, 92547 Montrouge Cedex.
The financial statements of the Company are included in the consolidated accounts of Crédit Agricole S.A., which is the largest body of undertakings of which the Company forms a part as a subsidiary undertaking, and whose head-office is located at 12 place des Etats-Unis, 92127 Montrouge Cedex.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1. Basis for preparation

The financial statements were prepared in accordance with International Financial Reporting Standards ('IFRS') and IFRS Interpretations Committee ('IFRIC') interpretations applicable as of December 31, 2021 as adopted by the European Union.

The standards and interpretations are identical to those used and described in the Company's financial statements as of December 31, 2020. The accounting policies applicable to the activities conducted in the course of the year ended December 31, 2021 are described below.

The following new standards and interpretations applicable since January 1, 2021 have no impact on the Company's financial statements:

- Covid-19-Related Rent Concessions beyond 30 June 2021 – Amendment to IFRS 16;
- Interest Rate Benchmark Reform – Phase 2 – Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16;

NOTES TO THE FINANCIAL STATEMENTS (continued)

The financial statements have been prepared on a historical cost basis, except for derivative financial instruments, financial assets and liabilities linked to the issuance activity that have been measured at fair value.

The financial statements are presented in euros, except when otherwise indicated.

The financial statements provide comparative information in respect of the previous period.

Furthermore, standards and interpretations that have been published by the IASB but not been adopted yet by the European Union, will become mandatory only as from the date of such adoption. Therefore, the Company has not applied the non-EU adopted standards for the year ended December 31, 2021.

Only standards and interpretations issued but not yet effective that may be relevant to the Company are listed below:

- Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12;
- Definition of Accounting Estimates - Amendments to IAS 8
- Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
- Conceptual Framework - Amendments to IFRS 3

These financial statements were authorised for issue by the Board of Directors dated April 27th, 2022.

2.2. **Use of estimates and judgments**

Judgments and estimates have been made by the Board of Directors when preparing the financial statements. These estimates are based on certain assumptions and involve risks and uncertainties as to their actual achievement in the future. Accounting estimates based on subjective assumptions are principally used to value financial instruments measured at fair value.

Estimates and valuation models are identical to those used by the parent company. There are defined and monitored using the same control methods.

The valuation of the financial instruments is produced and validated by the parent company as counterparty to all transactions. Crédit Agricole CIB produces these valuations using their management information systems and the valuations are controlled by a team attached to the Market Risk Department who is independent of the investing and market operators.

These valuations are based upon:

- Available data sources (market data providers, market consensus, broker data, etc.);
- Models validated by the quantitative teams of the Market Risk Department.

The methodologies and valuation models of financial instruments incorporate all the factors that market participants would use to calculate a price, in accordance with IFRS 13.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The use of estimates and judgments mainly concerns the following topics:

- Fair value in the statement of financial position of financial instruments not quoted in an active market which are classified as financial assets and liabilities at fair value through profit or loss;
- The amount of impairment and provisions for credit risk related to financial assets measured at amortised cost, where relevant.

For the application of IFRS 9, the Company has, where relevant, expanded the use of estimates and judgments in analyzing the contractual cash flow characteristics of financial assets, assessing the increase in credit risk observed since the initial recognition of financial assets, and measuring the amount of expected credit losses on these same financial assets.

2.3. Reporting and functional currency

The financial statements are presented in Euro (EUR). The functional currency of the Company is the Euro, and the financial statements are presented in Euro as it most faithfully represents the economic effect of the transactions of the Company.

2.4. Foreign currency translation

Transactions denominated in foreign currency are initially translated into Euro at the rates ruling at the transaction date.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

The most important foreign currency positions for the Company are USD, AUD, RUB, GBP, CHF, JPY and GBP. The following foreign exchange rates were used as at December 31, 2021:

USD: 1.1302 (2020: 1.23);
AUD: 1.5575 (2020: 1.6047);
RUB: 84.5022 (2020: 92.0348);
GBP: 0.8381 (2020: no exposure);
CHF: 1.0361 (2020: no exposure);
JPY: 130.1595 (2020: no exposure);
CAD: 1.4455 (2020: no exposure).

2.5. Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are deducted from Cash and cash equivalents (See Note 4).

NOTES TO THE FINANCIAL STATEMENTS (continued)

2.6. Financial instruments

The financial instruments represent the contractual rights or obligations to receive or to pay cash or other financial assets.

In the financial statements, the classification and valuation of financial assets and liabilities depend on their contractual characteristics and the way the Company manages those financial instruments.

However, this distinction is not applicable to derivative instruments, which are always measured at fair value through profit or loss in the statement of financial position, no matter what their purpose is (trading activities or hedging transactions).

2.6.1. Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income (OCI), or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient are measured at the transaction price.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Company's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows while financial assets classified and measured at fair value through OCI are held within a business model with the objective of both holding to collect contractual cash flows and selling.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

- Financial assets at amortised cost (debt instruments);
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments);
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments);
- Financial assets at fair value through profit or loss.

Taken into consideration its activity, the Company classifies the financial assets resulting from its issuance activity in the financial assets at fair value through profit or loss category.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments (see as well Note 2.6.3. Derivatives), deposits and funded swaps.

Under IFRS 9 §4.1.5, deposits have been irrevocably designated at fair value through profit or loss upon initial recognition as this designation eliminates the inconsistent treatment that would otherwise arise from measuring these assets on a different basis.

The funded swaps are economically assimilated to deposits with embedded derivatives (the swap embedded in the funded swaps). This type of financial assets complies with the IFRS definition of debt instruments (fixed maturity, coupon calculated as a rate, no right nor interest/control in an entity). As these financial assets contain embedded derivatives that modify the cash flows of the entire contract, the contract does not pass the Solely Payments of Principal and Interests (“SPPI”) test and these financial assets are mandatorily measured at fair value through profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if: the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired

Or

- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

2.6.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, deposits and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of deposits and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, notes, warrants, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss;
- Financial liabilities at amortised cost (deposits and borrowings).

Taken into consideration its activity, except for the amounts due to banks, the Company classifies its financial liabilities in the financial liabilities at fair value through profit or loss category.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by IFRS 9. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IFRS 9 are satisfied:

- Argument 1: the use of fair value removes or significantly reduces an “accounting mismatch”;
- Argument 2: they are part of an activity that is managed and whose performance is measured on a fair value basis;
- Argument 3: They contain embedded derivatives which, if the fair value option were not applied, should be separated and recorded on the statement of financial position at fair value with movement through the statement of incomprehensive income.

The argument used in this case is No. 2.

Under IFRS 9, an entity can, at initial recognition, irrevocably designate a financial asset as measured at fair value through P&L if doing so eliminates or significantly reduces a measurement or recognition inconsistency (sometimes referred to as “an accounting mismatch”) that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases.

Under IFRS 9, when the fair value option is used for financial liabilities, changes in fair value are recorded as follows:

- Shareholders' equity (non-recyclable OCI) for the portion of fair value changes attributable to changes in credit risk, unless this registration method leads to the creation or increase of an accounting mismatch (to which the full changes in fair value are recorded in profit or loss);
- By profit or loss for other sources of fair value changes.

According to IFRS 9, the recording of the credit risk effect in changes in the fair value of OCI issues would create an accounting mismatch. As a result, changes in the fair value of the issues attributable to credit risk are recorded in the statement of profit or loss, in the same way as other changes in fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Offsetting of financial instruments

Financial assets and financial liabilities are offset, and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

The Company has no intention to realize its assets or settle its liabilities and therefore is not offsetting its assets and liabilities with the exception of the neutralisation of the CCIRS operations (Note 9).

The Company is offsetting the impact of the neutralisation of the CCIRS operations. The net related amount is included under Other assets is EUR 1 288 331 for the financial year (Note 3.3 and 3.4).

2.6.3. Derivatives

Derivative instruments are financial instruments for which the value changes according to that of an underlying item and can be accompanied by a leverage effect. They require little to no initial investments and are settled at a future date. The items underlying these instruments are various (interest rates, exchange rates, equity, indexes, commodities, credit rating…), as are their forms (forward contracts, swaps, calls and puts…).
The Company may use these derivative instruments for its market activities to provide to its parent company, Credit Agricole CIB, solutions to meet its risk management or revenue optimisation needs. In that case, they are accounted for as trading derivatives.

Derivatives instruments may also be used to manage and hedge its own risks. In which case, they are qualified as hedging derivatives. Hedging transactions can concern individual items or transactions (micro-hedging relationships) or portfolios of financial assets and liabilities that can generate a structural interest-rate risk (macro-hedging relationships). The Company does not use derivatives instruments for hedging accounting purposes but for economic hedging.

Contrary to other financial instruments, derivative instruments are always measured at fair value in the statement of financial position, regardless their purpose. The fair value adjustments of trading derivatives are directly recognised in the statement of profit and loss.

Derivatives are financial instruments meeting the following three criteria:

- Their value changes in response to the change in a specified interest rate, foreign exchange rate, share price, index of prices, commodity price, credit rating, etc.;
- They require little to no initial investment;
- They are settled at a future date.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2.6.3.1. Embedded derivatives

An embedded derivative is a component of a hybrid contract that also includes a non-derivative host instrument.

Where the host contract is a financial asset, the entire hybrid contract is measured at fair value through profit or loss because its contractual cash flows do not pass the SPPI test.

Where the host contract is a financial liability and is not measured at fair value through profit or loss, the embedded derivative is separated from the host contract if:

- At acquisition, the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host; and
- A separate instrument with the same terms as the embedded derivative would meet the definition of a derivative.

Once separated, the derivative is recognised at fair value in the statement of financial position under Financial assets or Financial liabilities at fair value through profit or loss under the aforementioned conditions.

2.6.3.2. Trading derivatives

Trading derivatives are recorded in the statement of financial position under Financial assets or liabilities at fair value through profit or loss. Changes in fair value are recorded in the statement of profit or loss under Net gains / (losses) on financial instruments at fair value through profit or loss.

2.6.4. Determination of the fair value of financial instruments

The fair value of financial instruments is determined by maximizing the use of observable input data and based on the IFRS 13 hierarchy.

As per IFRS 13, fair value is the price which would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the principal markets or on the most advantageous market, at the measurement date.

Fair value applies to each financial asset or liability individually. By exception, it can be measured per portfolio, when the risk management and monitoring strategy so allows and when appropriate documentation exists. Therefore, some fair value parameters are calculated on a net basis when a group of financial assets and liabilities is managed on the basis of its net exposure to market or credit risks.

The Company does not deal with a group of financial assets and liabilities. Each instrument is evaluated individually.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Fair value hierarchy:

The standard classifies the fair values into three levels according to the observable character of input data used for their measurement:

Level 1: fair values corresponding to (non-adjusted) prices on active markets
Level 1 are financial instruments which are directly quoted on an active market to which the entity has access as at the valuation date.

A market is considered active when prices are easily and regularly available from a financial market, a broker, a broker dealer, a price assessment service or a regulatory agency and when these prices represent real transactions performed regularly at arm's length in the market. When the closing quoted price is not available, the Company will particularly refer to the most recent transaction prices of the instrument.

Level 2: fair values assessed based on data directly or indirectly observable, other than those of level
These inputs are directly observable (prices) or indirectly observable (data derived from prices) and generally meet the following characteristics: they are not specific to the entity; they are publicly available / accessible, and they are based on market consensus.
These include financial instruments traded over-the-counter which are assessed based on valuation models using observable market data, i.e. data which can be obtained from several sources, independent from internal sources, on a regular basis.

Level 3: fair values for which a significant number of the parameters used for their measurement does not meet the observable nature criteria
The fair value of certain complex market instruments not traded on active markets or able to be priced against observable market data rests on valuation techniques using assumptions which are not supported by data observable on the market for the same or similar financial instruments.

These products are reported as level 3. For the most part these are complex interest rate and equity derivative products whose assessment requires, for example, correlation or volatility parameters which are not directly comparable to market data.

Levels 2 and 3 financial instrument valuation methodologies and models factor in all the data that market participants use to calculate a price.

During the year ended at December 31, 2021, there was no significant change in the techniques used for the valuation of the financial instruments held by the Company.

Financial assets are instruments classified as financial assets designated at fair value through profit or loss:

- On one hand, as a result of a genuine intention to trade them;
- On the other hand, as these instruments were designated as at fair value by the Company at inception.

NOTES TO THE FINANCIAL STATEMENTS (continued)

2.7. Dividends

Dividends on ordinary shares are recognized in equity in the period in which they are approved by the Company's shareholders.

2.8. Interest income and expenses

Interest is recognized as expense or income over the life of the financing service granted or received, proportionally to the principal amount outstanding.

Interest income and expense are recorded in the statement of profit or loss under Interest income and Interest expense for all financial instruments measured using the effective interest method (instruments at amortised cost and debt instruments at fair value through other comprehensive income, if any). Interest income and Interest expense on derivatives, on financial assets and liabilities measured at fair value through profit or loss are recorded in the statement of profit or loss and other comprehensive income under Net Gains/(Losses) on financial instruments at fair value through profit or loss.

The effective interest rate is taken to be the rate used to net discount future cash inflows and outflows over the expected life of the instrument in order to establish the net book value of the financial asset or liability. The calculation of this rate considers the future cash flows estimated on the basis of the contractual provisions of the financial instrument without taking account of possible future credit losses and also includes commissions paid or received between the parties where these may be assimilated to interest, directly linked transaction costs, and all types of premiums and discounts.

Where a financial asset is classified in Stage 3 for impairment, subsequent interest income is measured at the effective interest rate applied to the net carrying amount of the financial asset with an offsetting entry equal to the outstanding financial asset before impairment.

2.9. Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in Luxembourg where the Company operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the statement of profit or loss. The Board of Directors periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

The Company offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO THE FINANCIAL STATEMENTS (continued)

As of December 31,2021 and 2020, the Company, due to its activity which consist in issuing notes and warrants, perfectly hedging them through a deposit and derivatives is creating equal deferred taxes from its assets and from its liabilities. As a result, the Company choose to not represent them in its Statement of Financial Positions.

2.10. **Other commitments linked to secured notes**

In relation to each series of secured notes in order to secure its obligations in that respect, the Company receives an unconditional guarantee in support of Crédit Agricole CIB.

2.11. **Benchmark reform**

Within the Benchmark Project, a dedicated governance has been setup at CACIB level to roll out the implementation of the Benchmark Reform. A dedicated stream addresses the CACIB self-led issuance, which includes the Crédit Agricole CIB Finance Luxembourg SA entity.

The project team conducts an analysis based on the Issuance Program, the embedded fallback provisions, the payoff of the Note to assess the actions to be taken in the context of the Benchmark reform.

2.12. **The Covid situation**

Despite the health crisis, the outlook for 2021 remains favorable. Indeed, the strength of the recovery of the global manufacturing cycle is creating a virtuous circle of demand for capital goods from which European producers are benefiting.

The Company has not been affected directly by this situation.

2.13. **The impact of Brexit**

Since the Brexit, The Financial Conduct Authority (FCA) has implemented rules requiring that all issuers with transferable securities admitted to trading on UK regulated markets must publish their Financial Statements through the FCA's National Storage Mechanism.

The Company, as of 31/12/2021, has one listed issuance on the UK regulated market.
As a result, the Financial Statement are published to the CSSF and to the FCA.

3. RISK MANAGEMENT

Management regards the monitoring and controlling of risk as a fundamental part of the management process and accordingly involves its most senior staff in developing risk policy and in monitoring its application. The evaluation of the risks inherent in the Company's activities and the development of policies and procedures to control them is carried out by the Senior Management at Crédit Agricole CIB and reported to the Board of Directors.

3.1. **Credit risk**

Credit risk is the risk that a customer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. As described in Note 1, the only unhedged risk is credit risk. However, since all deposits and derivatives are concluded exclusively with Crédit Agricole CIB, this risk is limited to that of the parent company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

On the liabilities side of the balance sheet, the risk consists of a credit risk of the issuer, which is included in the fair value of the issued products.

In addition, Crédit Agricole CIB Finance Luxembourg SA receives an unconditional guarantee from its parent company. As a result, the Company has the same credit risk as Crédit Agricole CIB.

As a result, the credit risk impact on the valuation of the assets and the credit risk impact on the issuer directly offset each other.

3.2. **Interest rate risk**

Exposure to interest rate risk is the risk that arises when there is an imbalance between rate and non-rate sensitive assets, liabilities and off balance sheet items. As described in Note 1, the Company hedges all risks other than credit risk through transactions with Crédit Agricole CIB and therefore bears no interest rate risk.

3.3. **Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in realizing assets or otherwise raising funds to meet commitments. The Company perfectly hedges the issue of debt securities through the deposits and derivatives to the parent company which match in all respects the issued debt.
The table below reflects the liquidity risk of the Company by maturity profile.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The table below shows the liquidity gap by maturity as at December 31, 2021 This gap is appreciated regarding the contractual maturity of every contract.

	< 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	> 5 years	Others assets and liabilities	Total
	EUR	EUR	EUR	EUR	EUR	EUR	EUR
Assets							
Cash at banks	29 950	-	-	-	-	-	29 950
Derivatives held for trading	-	-	247 135	5 522 327	601 107	-	6 370 569
Financial assets at fair value through profit or loss	-	-	88 852 312	1 855 143 870	962 853 751	-	2 906 849 933
Other assets*	-	-	-	2 629 374	(1 341 044)	1 002 932	2 291 262
Total Assets	**29 950**	**-**	**89 099 447**	**1 863 295 571**	**962 113 814**	**1 002 932**	**2 915 541 714**
Liabilities							
Due to banks	163 541	-	-	-	-	-	163 541
Derivatives held for trading	-	-	247 135	7 718 699	4 606 894	-	12 572 728
Financial liabilities designated at fair value through profit or loss	-	-	88 852 312	1 855 576 872	957 506 920	-	2 901 936 104
Tax liabilities	-	-	-	-	-	31 575	31 575
Other liabilities	-	-	-	-	-	655 314	655 314
Shareholders' equity	-	-	-	-	-	182 452	182 452
Total Liabilities	**163 541**	**-**	**89 099 447**	**1 863 295 571**	**962 113 814**	**869 341**	**2 915 541 714**
Liquidity gap	(133 591)	-	-	-	-	133 591	-

*The amounts in relation to transactions in CAD, EUR, RUB, CHF, AUD, JPY, GBP and USD are mainly related to neutralisation of the CCIRS operations. Net related amount included under Other assets is EUR 1 288 330. The neutralisation is realised on the net related amount. As a result, the decomposition by maturity is creating a reverse balance (Other assets – > 5 years).

NOTES TO THE FINANCIAL STATEMENTS (continued)

The table below shows the liquidity gap by maturity as at December 31, 2020. This gap is appreciated regarding the contractual maturity of every contract.

	< 1 month	From 1 to 3 months	From 3 to 12 months	From 1 to 5 years	> 5 years	Others assets and liabilities	Total
Assets	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Cash at banks	31 381	-	-	-	-	-	31 381
Derivatives held for trading	-	-	60 970	3 718 060	133 946	-	3 912 976
Financial assets at fair value through profit or loss	-	616 104	3 631 734	1 588 909 753	83 249 482	-	1 676 407 073
Other assets	-	-	-	-	-	380 694	380 694
Total Assets	**31 381**	**616 104**	**3 692 704**	**1 592 627 813**	**83 383 428**	**380 694**	**1 680 732 124**
Liabilities							
Due to banks	129 269	-	-	-	-	-	129 269
Derivatives held for trading	-	-	60 970	4 297 500	215 868	-	4 574 338
Financial liabilities designated at fair value through profit or loss	-	616 104	3 631 734	1 588 272 330	83 167 560	-	1 675 687 728
Tax liabilities	-	-	-	-	-	18 591	18 591
Other liabilities	-	-	-	57 983	-	163 759	221 742
Shareholders' equity	-	-	-	-	-	100 456	100 456
Total Liabilities	**129 269**	**616 104**	**3 692 704**	**1 592 627 813**	**83 383 428**	**282 806**	**1 680 732 124**
Liquidity gap	(97 888)	-	-	-	-	97 888	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

3.4. Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's foreign exchange exposure arises from issuing debt in currencies other than Euro. As described in Note 1, the Company transacts only with Crédit Agricole CIB and bears no significant foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The table below shows the Company's exposure to currencies as at December 31, 2021 (in EUR).

	AUD	CAD	CHF	EUR	GBP	JPY	RUB	USD	Total
Assets									
Cash at banks	-	-	-	29 950	-	-	-	-	29 950
Derivatives held for trading	-	-	-	932 463	-	3 151	-	5 434 955	6 370 569
Financial assets at fair value through profit or loss	13 061 156	2 600 907	5 741 900	2 560 227 958	69 444 999	2 463 344	50 337	253 259 332	2 906 849 933
Other assets*	1 926 163	(2 598 464)	14 648	(21 917 299)	(45 462 449)	37 350 333	21 301 213	11 677 117	2 291 262
Total Assets	**14 987 319**	**2 443**	**5 756 548**	**2 539 273 072**	**23 982 550**	**39 816 828**	**21 351 550**	**270 371 404**	**2 915 541 714**
Liabilities									
Due to banks	-	-	14 648	21 723	-	-	-	127 170	163 541
Derivatives held for trading	169 433	-	-	3 942 508	-	520 248	1 610 467	6 330 072	12 572 728
Financial liabilities designated at fair value through profit or loss	14 817 886	2 443	5 741 900	2 534 502 100	23 982 550	39 296 580	19 741 083	263 851 562	2 901 936 104
Tax liabilities	-	-	-	31 575	-	-	-	-	31 575
Other liabilities	-	-	-	592 714	-	-	-	62 600	655 314
Shareholders' equity	-	-	-	182 452	-	-	-	-	182 452
Total Liabilities	**14 987 319**	**2 443**	**5 756 548**	**2 539 273 072**	**23 982 550**	**39 816 828**	**21 351 550**	**270 371 404**	**2 915 541 714**

* The amounts in relation to transactions in CAD, EUR, RUB, CHF, AUD, JPY, GBP and USD are mainly related to neutralisation of the CCIRS operations. Net related amount included under Other assets is EUR 1 288 330. The neutralisation is realised on the net related amount. As a result, the decomposition by currency is creating reverse balances (Other assets – CAD/EUR/GBP).

The Company is perfectly hedging its currency positions in RUB through a CCIRS with its parent company. Therefore, the devaluation of the RUB during the first quarter of the year 2022 has no to little impact for The Company.

NOTES TO THE FINANCIAL STATEMENTS (continued)

The table below shows the Company's exposure to currencies as at December 31, 2020 (in EUR).

	AUD	EUR	USD	RUB	Total
Assets					
Cash at banks	-	31 381	-	-	31 381
Derivatives held for trading	-	289 907	3 623 069	-	3 912 976
Financial assets at fair value through profit or loss	13 598 498	1 617 584 368	45 217 759	6 448	1 676 407 073
Other assets	-	380 694	-	-	380 694
Total Assets	**13 598 498**	**1 618 286 350**	**48 840 828**	**6 448**	**1 680 732 124**
Liabilities					
Due to banks	-	129 269	-	-	129 269
Derivatives held for trading	-	164 933	3 992 705	416 700	4 574 338
Financial liabilities designated at fair value through profit or loss	13 598 498	1 598 093 529	44 848 123	19 147 578	1 675 687 728
Tax liabilities	-	18 591	-	-	18 591
Other liabilities*	-	19 779 572	-	(19 557 830)	221 742
Shareholders' equity	-	100 456	-	-	100 456
Total Liabilities	**13 598 498**	**1 618 286 350**	**48 840 828**	**6 448**	**1 680 732 124**

* The amounts in relation to transactions in EUR and RUB are mainly related to neutralisation of the CCIRS operations. Net related amount included under Other liabilities was EUR 57 983. The neutralisation is realised on the net related amount. As a result, the decomposition by currency is creating a reverse balance (Other liabilities – RUB).

4. CASH AND CASH EQUIVALENTS

Cash and cash equivalents are composed as follows:

	31/12/2021 EUR	31/12/2020 EUR
- Current accounts	29 950	31 381
- Overdrafts	(163 541)	(129 269)
	(133 591)	**(97 888)**

The current accounts are related to Luxembourg and French entities of the Crédit Agricole Group.

The fair value of cash and cash equivalents is deemed to be equal to the amortised cost.

The Expected Credit Loss (ECL) of the Company is not material and therefore not detailed. Most of the assets are related with its parent company, CACIB, and most of its liabilities are guaranteed by its parent company.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2021 EUR	31/12/2020 EUR
Financial assets at fair value through profit or loss		
- Mandatorily measured at fair value through profit or loss	2 723 060 449	1 610 202 180
- Designated at fair value through profit or loss	183 789 484	66 204 893
	2 906 849 933	**1 676 407 073**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Financial assets at fair value through profit or loss are backed to EMTNs so the maturity dates are correlated (Note 15).

The Financial assets mandatorily measured at fair value through profit or loss represents the fair value of the funded swaps.

The Financial assets designated at fair value through profit or loss represents the fair value of the deposits.

As at December 31, 2021, the fair values of these financial assets include accrued interests for EUR 186 113 (2020: EUR 137 749).

6. DERIVATIVES HELD FOR TRADING

	31/12/2021 EUR	31/12/2020 EUR
Financial assets held for trading		
- Interest rate swaps	476 405	194 410
- Currency swaps	46 693	-
- Caps / Floors	317 993	134 020
- Foreign exchange options	5 287 461	3 584 546
- Warrants	242 017	-
	6 370 569	**3 912 976**

7. CAPITAL AND RESERVES

7.1. Called up share capital

	31/12/2021 EUR	31/12/2020 EUR
Authorised, called up, issued and fully paid	30 000	30 000
	30 000	**30 000**

The share capital is composed of 30 000 ordinary shares with a par value of 1 EUR each.

During the year ended December 31, 2021 and 2020, the Company did not buy own shares.

7.2. Reserves

In accordance with the Luxembourg law, the Company is required to allocate a minimum of 5% of its annual net profit to a Legal reserve until this reserve equals 10% of the subscribed share capital. This reserve may not be distributed.

As at December 31, 2021, the legal reserve amounts to EUR 3 000 (2020: EUR 3 000).

NOTES TO THE FINANCIAL STATEMENTS (continued)

8. FINANCIAL LIABILITIES DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2021 EUR	31/12/2020 EUR
Financial liabilities designated at fair value through profit or loss		
- Euro Medium Term Notes	2 901 936 104	1 675 687 728
	2 901 936 104	**1 675 687 728**

As at December 31, 2021, the fair value of these financial liabilities includes accrued interests for EUR 463 639 (2020: EUR 189 404).

9. FINANCIAL LIABILITIES - DERIVATIVES HELD FOR TRADING

	31/12/2021 EUR	31/12/2020 EUR
Financial liabilities held for trading		
- Interest rate swaps	2 013 166	439 071
- Currency interest rate swaps	4 712 091	416 701
- Caps / Floors	308 868	-
- Warrants	5 538 603	3 718 566
	12 572 728	**4 574 338**

Crédit Agricole CIB, the parent company, is the only counterparty for all the swaps held for trading. There is no collateral agreement or netting arrangement between the Company and the parent company. The potential impact of netting arrangements on its financial position is therefore nil.

10. OTHER ASSETS

	31/12/2021 EUR	31/12/2020 EUR
Receivables	1 002 932	380 694
Other *	1 288 330	-
	2 291 262	**380 694**

*Amount of neutralisation of the CCIRS positions for financial year 2021 (see Note 3.4)

As at December 31, 2021 and 2020, receivables are related to an amount to be received from Crédit Agricole CIB following a service level agreement signed in 2018, and subsequently amended.

The receivables are mainly short-term invoices measured at amortised cost. The fair value of its receivables and their amortised cost are almost equal.
As a result, The Company is not presenting impairments on its Other Assets.

NOTES TO THE FINANCIAL STATEMENTS (continued)

11. OTHER LIABILITIES

	31/12/2021 EUR	31/12/2020 EUR
Accrued expenses	645 486	163 759
Other *	9 828	57 983
	655 314	**221 742**

* Amount of neutralisation of the CCIRS positions for financial year 2020 (see Note 3.4)

The Accrued expenses are mainly short-term invoices measured at amortised cost. The fair value of its payables and their amortised cost are almost equal.
As a result, The Company is not presenting impairments on its Other Liabilities.

12. TAXATION

The Company is liable for all taxes applicable to Luxembourg commercial companies.

	31/12/2021 EUR	31/12/2020 EUR
Current income tax	(31 575)	(19 126)
Tax advances	-	535
	(31 575)	**(18 591)**

The 2021 and 2020 amount relates to the Income Tax on Revenue (CIT) and the Commercial Communal Tax (MBT). The tax rate applicable in Luxembourg-city for the year 2021 amounts to 24.94% (2020: 24.94%).

The effective income tax rate is equal to the current income tax rate.

13. NET GAINS OR LOSSES ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	31/12/2021			31/12/2020		
	Accrued & Realised	**Fair value**	**Total**	**Accrued & Realised**	**Fair value**	**Total**
	EUR	**EUR**	**EUR**	**EUR**	**EUR**	**EUR**
Term loans and time deposits	5 885 864	(57 090 509)	(51 204 645)	(2 731 571)	7 831 556	5 099 985
Euro Medium Term Notes	(7 491 407)	62 857 177	55 365 770	4 693 369	(7 182 353)	(2 488 984)
Interest Rate Swaps	(158 277)	(1 337 902)	(1 496 179)	(1 964 137)	(249 860)	(2 213 997)
Currency Interest Rate Swaps	1 763 820	(4 428 766)	(2 664 946)	2 339	(399 343)	(397 004)
Caps / Floors	90 423	(242 017)	(151 594)	6 520	-	6 520
Warrants	(63 159)	(1 322 071)	(1 385 230)	(6 520)	(1 511 375)	(1 517 895)
Foreign exchange options	(27 264)	1 564 088	1 536 824	-	1 511 375	1 511 375
TOTAL	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS (continued)

14. GENERAL OPERATING EXPENSES

Detail of general operating expenses is as follows :	**31/12/2021**	**31/12/2020**
- Audit fees	(127 150)	(71 985)
- Accounting and administrative expenses	(363 957)	(320 607)
- Costs of salary	(10 871)	(10 083)
- Real estate rent	(12 922)	(12 607)
- Net wealth tax	(500)	(658)
- Issuing fees	(336 772)	(27 235)
- Other fees	(167 867)	(190 080)
Total General operating expenses	**(1 020 039)**	**(633 255)**

Details of related party expenses is as follows :

- Accounting and administrative expenses	(363 957)	(320 607)
- Service rent	(15 119)	(14 751)
Total Related-party expenses	**(379 076)**	**(335 358)**

NOTES TO THE FINANCIAL STATEMENTS (continued)

15. ISSUED SECURITIES

Notes issued in 2021:

	NOMINAL AMOUNT		QUANTITY							
	K'Currency	K'EUR	Initial Stock	Maturity/ Reimbursed	Issuance	Final Stock	Equity	Hybrid	Rate	Final Stock
AUD	24 500	15 730	2	1	2	3	-	1	2	3
CHF	7 000	6 756	-	-	2	2	2	-	-	2
EUR	2 559 924	2 559 924	11	16	105	100	86	8	6	100
GBP	20 134	24 025	-	-	4	4	4	-	-	4
JPY	5 400 000	41 488	-	-	6	6	-	6	-	6
RUB	1 800 000	21 302	1	-	-	1	-	1	-	1
USD	304 138	269 100	24	21	99	102	62	22	18	102
Total	**10 115 696**	**2 938 325**	**38**	**38**	**218**	**218**	**154**	**38**	**26**	**218**

Notes issued in 2020:

	31/12/2020								
	NOMINAL AMOUNT		QUANTITY				PRODUCT TYPE		
	K'Currency	K'EUR	Initial Stock	Maturity/ Reimbursed	Issuance	Final Stock	Hybrid	Rate	Final Stock
AUD	21 500	13 398	1	1	2	2	-	2	2
EUR	1 589 810	1 589 810	3	2	10	11	4	7	11
RUB	1 800 000	19 558	-	-	1	1	1	-	1
USD	55 930	45 472	16	5	13	24	14	10	24
Total	**3 467 240**	**1 668 238**	**20**	**8**	**26**	**38**	**19**	**19**	**38**

Information disclosed above represents the outstanding nominal amount of issued notes as of December 31, 2021 and December 31, 2020. These amounts do not include accrued interest and fair value adjustments.

16. COMMITMENTS GIVEN OR RECEIVED

The Company has given the following commitments as of December 31, 2021 and December 31, 2020.

	31/12/2021	31/12/2020
	EUR	EUR
Euro Medium Term Notes (before issue date)	215 293 746	-
Funded Swap (before issue date)	215 293 746	-

The Company represents the Euro Medium Term Notes and the Funded Swap associated (mirroring) that have been negotiated before the closure of December 31, 2021 and that will be issued in 2022 as commitments given and commitments received respectively in its off-balance sheet

The Company has given no other commitments as of December 31, 2021 and December 31, 2020.

NOTES TO THE FINANCIAL STATEMENTS (continued)

17. NOTIONAL OF DERIVATIVE INSTRUMENTS

	31/12/2021	**31/12/2020**
	EUR	**EUR**
Interest Rate Swaps	79 642 293	47 004 309
Currency Interest Rate Swaps	114 658 490	19 615 813
Warrants	109 827 747	58 624 390
Foreign exchange options	57 227 747	55 624 390
Caps / Floors	52 600 000	3 000 000

18. RELATED PARTY TRANSACTIONS

As described in Note 1, most of the transactions are entered into by the Company with Crédit Agricole CIB. In addition, the Euro Medium Term Notes ("EMTNs") issued by Crédit Agricole CIB Luxembourg are guaranteed by Crédit Agricole CIB.

Crédit Agricole CIB is the sole counterparty for most financial assets disclosed in Notes 4 and 5. Euro Medium Term Notes can be held by Crédit Agricole CIB or in the secondary market. Crédit Agricole CIB is the sole counterparty for all financial liabilities disclosed in Notes 8, 15 and 16. The EMTNs are, initially, systematically bought by Crédit Agricole CIB and funds raised by the Company systematically deposited with Crédit Agricole CIB.

As described in Note 1, under an agreement between Crédit Agricole CIB Luxembourg and Crédit Agricole CIB, the funds raised from issuances are deposited with Crédit Agricole CIB at an interest rate based on the rates of the deposits, plus a margin.

Crédit Agricole CIB has issued an unconditional guarantee under which it guarantees the prompt payment when due of all obligations and liabilities of the Company.

Neither remuneration, nor advances nor loans were granted to the members of the Board of Directors for the year ended 2021 and 2020.

We also refer to Note 14.

19. GEOGRAPHICAL ANALYSIS OF BUSINESS LINE INFORMATION

All the Euro Medium Term Notes issued by Crédit Agricole CIB Finance Luxembourg are purchased initially by Crédit Agricole CIB in France and thereafter they may be sold by Crédit Agricole CIB on the secondary market.

Crédit Agricole CIB Finance Luxembourg hedges economically all its positions by purchasing derivatives from Crédit Agricole CIB.

NOTES TO THE FINANCIAL STATEMENTS (continued)

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Valuation process

The valuation of the Company's financial instruments is based on the valuation process at the parent company, although the Board of Directors retains final responsibility.

The methodologies and valuation models of the financial instruments presented in Level 2 and Level 3 incorporate all the factors that the market participants use to calculate a price.

The determination of the fair values of these instruments takes into account, in particular, the liquidity risk and the counterparty risk.

Financial assets

Amounts shown include related receivables

	31/12/2021 EUR				31/12/2020 EUR			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Financial assets designated at fair value through profit or loss	-	2 226 310 945	680 538 988	**2 906 849 933**	-	1 662 808 575	13 598 498	**1 676 407 073**
Derivatives held for trading	-	5 847 470	523 099	**6 370 569**	-	3 718 566	194 410	**3 912 976**

Financial liabilities

Amounts shown include related debts

	31/12/2021 EUR				31/12/2020 EUR			
	Level 1	Level 2	Level 3	**Total**	Level 1	Level 2	Level 3	**Total**
Financial liabilities designated at fair value through profit or loss	-	2 048 062 241	853 873 863	**2 901 936 104**	-	1 596 603 682	79 084 046	**1 675 687 728**
Derivatives held for trading	-	5 872 693	6 700 035	**12 572 728**	-	3 718 566	855 772	**4 574 338**

NOTES TO THE FINANCIAL STATEMENTS (continued)

Reconciliation of movements in level 3 financial instruments:

Variation of level flows 3:	31/12/2021 EUR	31/12/2020 EUR	Variation EUR	Maturity / Reimbursed EUR	Issuance EUR	Transfer to level 2 EUR	Change in latent gains and losses EUR	Variation EUR
Financial assets valued at fair value								
Financial assets designated at fair value through profit or loss	680 538 988	13 598 498	666 940 490	(12 670 621)	679 589 042	-	22 069	666 940 490
Derivatives held for trading	523 099	194 410	328 689	(21 001)	150 645	-	199 045	328 689
Financial liabilities valued at fair value								
Financial liabilities designated at fair value through profit or loss	853 873 862	79 084 046	774 789 816	(17 635 176)	795 151 210	(5 054 600)	2 328 382	774 789 816
Derivatives held for trading	6 700 035	855 772	5 844 263	(13 213)	4 450 566	(44 898)	1 451 808	5 844 263

The main products classified in Level 2 are as follows:

(i) Financial liabilities designated at fair value through P&L:
Debts issued and recognized by using the fair value on option are classified in Level 2 when their embedded derivative is considered as falling under Level 2.

(ii) The main OTC derivatives classified in level 2 are those whose valuation involves factors considered as observable and whose valuation technique does not generate a significant exposure to a risk of model:

- Linear derivatives;
- Non-linear plain vanilla products such as options on equities. These products are valued using models commonly used by the market based on directly observable parameters (price of shares) or on parameters which can be determined from the price of products observable on the market (volatility).

The main products classified in Level 3 are as follows:

Level 3 includes the products which do not meet the criteria permitting their classification in levels 1 and 2 and therefore, mainly, those products which involve a high model risk or products whose valuation require the use of significant non-observable parameters.

Consequently, Level 3 includes particularly:

(i) Financial liabilities designated at fair value through P&L:
Debts issued and recognized at fair value on option are classified in Level 3 when their embedded derivative is considered as falling under Level 3.

(ii) OTC derivatives:
These are products which are not observable because of the underlying asset.

NOTES TO THE FINANCIAL STATEMENTS (continued)

Some products whose pool is for the most part classified in Level 2 are considered to be classified under Level 3 because of the underlying currency or of their maturity. An observability grid defines for each instrument / currency pair, the maximum maturity considered as observable. Such observable nature depends on the liquidity of the parameter and on the availability of observable sources permitting its measurement.

The following are considered to be Level 3 exposures to non-linear products (equity or indices) of long maturity on major currencies / indices:

- Exposures on interest rates or swaps with a very long maturity;
- Exposures on non-linear products (interest rate, currency or equity) with a long maturity on major currencies / indices. Included in this category are vanilla options, but also simple exotic derivatives such as cancellable swaps;
- Non - linear exposures on emerging currencies;
- Complex derivatives (products whose underlying is the difference between two interest rates, option type, binary option or exotic products, multi-underlying products, generating exposures to correlations, regardless of the underlying assets (interest rates, equities, credit, currency, inflation)).

Analysis of the sensitivity of financial instruments measured according to a level 3 valuation models

As issuances classified in the category of financial liabilities at fair value on option are perfectly covered / hedged, from an economical point of view, by derivatives or by the fair value movements of the financial assets, the sensitivity calculated on the net positions of financial instruments measured based on a level 3 valuation level is not significant.

The fair values of the Notes include the effect of the issuer's credit risk. Also, the fair values of deposits concluded with the parent company takes into account the counterparty risk of Crédit Agricole CIB. These two risks offset one another (refer to Note 3.1 Credit Risk)

21. INDEPENDENT AUDITOR'S FEES

The fees provisioned or paid by the Company to its independent auditor, Ernst & Young S.A., were as follows (excluding VAT and other administrative expenses):

	31/12/2021	**31/12/2020**
	EUR	**EUR**
Statutory audit	97 000	46 125
Other assurances services	-	-
Tax consulting services	-	-
Other services	-	-
	97 000	**46 125**

22. SEGMENT INFORMATION

The only area of operational activity of the Company is to issue Notes or Warrants whose flows are indexed to an underlying interest, currency, inflation, index, fund, credit and commodities, in order to raise funds for the parent group. As a result, no segmental information is provided.

NOTES TO THE FINANCIAL STATEMENTS (continued)

23. SUBSEQUENT EVENTS

No significant event occurred after the year ended December 31, 2021 that would require a change of the financial statements.

In February 2022, a number of countries (including the US, UK and EU) imposed new sanctions against certain entities (of which financial institutions) and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation.
Additional sanctions have been made following military operations initiated by Russia on 24 February 2022 against Ukraine including the restriction of the access of already sanctioned Russian banks to the international payments system SWIFT.
Such sanctions can impact not only the sanctioned entities and individuals including entities under their control but also Business Counterparties of these sanctioned entities.
The results of the sanctions and the geopolitical instability have created an important volatility in the financial markets with a potential to adversely impact global economies and increase instability across markets.

The Board of Directors has performed an analysis towards the Company's potential exposure to the above. The Board of Directors regards these events as non-adjusting events after the reporting period. At the date of this report, the Company including its going concern is not impacted (directly or indirectly) by the above and the situation including the possible impact of changing micro- and macroeconomic conditions will be continued to be monitored.

There is no new financing granted to Russian counterparties since the beginning of the conflict.
Overall, these exposures, which are limited in total amount and of excellent quality, are closely monitored.

The Company is perfectly hedging its currency positions in RUB through a CCIRS with its parent company. Therefore, the devaluation of the RUB during the first quarter of the year 2022 has no impact for the Company.