



2021

ANNUAL REPORT 2021

CA Indosuez Wealth (Europe)

Architects of Wealth

*For more than
145 years, we have
worked closely with
entrepreneurs and
families all over
the world, supporting
them with expert
advice. today,
we work with our
clients to help
them build, manage,
protect and pass
on their wealth.*

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01

The Crédit Agricole group

CRÉDIT AGRICOLE group

Crédit Agricole group includes Crédit Agricole SA, as well as all of the Regional Banks and Local Banks and their subsidiaries.

PUBLIC

29.3 %
INSTITUTIONAL INVESTORS

7.3 %
INDIVIDUAL SHAREHOLDERS

5.1 %
EMPLOYEE SHARE OWNERSHIP PLANS (ESOP)

2.8 %⁽¹⁾
TREASURY SHARES

HOLDING
44.5 %

REGIONAL BANKS

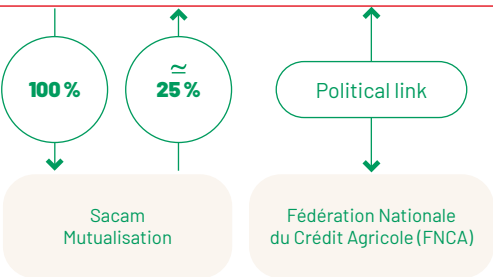
11,2 Million
MUTUAL SHAREHOLDERS
who hold mutual shares in

2 406
LOCAL BANKS

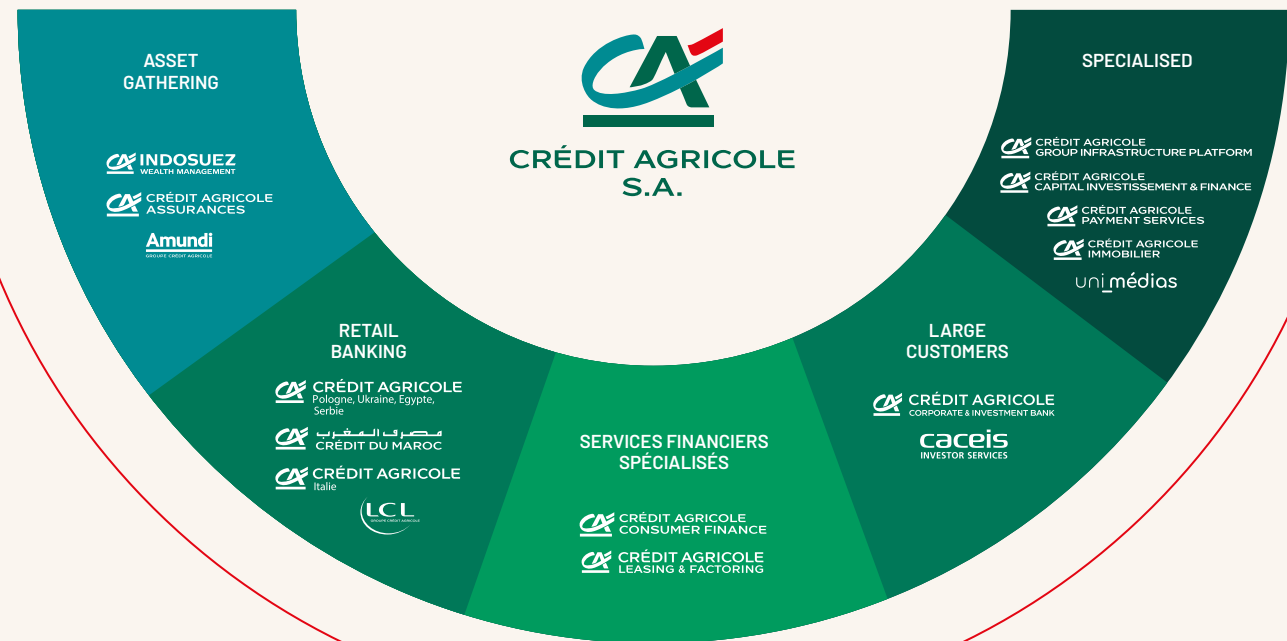
39

REGIONAL BANKS

jointly holding the majority of
Crédit Agricole S.A.'s share capital
through SAS Rue La Boétie⁽¹⁾



HOLDING
55.5 %



(1) Treasury stock including share buybacks in 2021 which will be cancelled in 2022. After cancellation of 87 673 241 shares, treasury stock will be insignificant and the holding in SAS Rue de la Boétie will rise to around 57%.

(2) The Regional Bank of Corsica, 99.9%-owned by Crédit Agricole S.A., is a shareholder of SACAM Mutualisation.

RANKINGS and key figures

Private employer in France ⁽¹⁾

European Union Retail Bank based on number of retail banking customers

Financer of the European economy ⁽²⁾

#1

Insurer in France based on revenues ⁽³⁾

European asset manager ⁽⁴⁾

53 million customers

10th by balance sheet⁽⁵⁾

47 countries



9,500 branches including 7,400 in France (Regional Banks and LCL)

(1) Source: Challenge 2021, Crédit Agricole group scope.

(2) Internal source: ECO 31 December 2021.

(3) Source: L'Argus de l'Assurance 2021.

(4) Source: IPE "Top 500 Asset Managers" June 2021.

(5) Source: The Banker 2021.



02

Indosuez Wealth Management

Our IDENTITY

- 1858

Founding of Compagnie du Canal de Suez
- 1875

Founding of Banque de l'Indochine
- 1876

First Private Banking office opened in Switzerland (Crédit Lyonnais)
- 1920

First roots established in Luxembourg (founding of La Luxembourgeoise)
- 1922

Founding of Crédit Foncier Monaco
- 1975

Founding of Banque Indosuez en France from the merger of Banque de l'Indochine and the Banque de Suez and the Union des Mines
- 1996

Banque Indosuez joins Crédit Agricole group
- 2016

Adoption of a single brand: Indosuez Wealth Management
- 2017

CIC's private banking operations in Hong Kong SAR and Singapore are acquired
- 2018

Crédit Agricole Private Banking Services becomes Azqore and partners with Capgemini to form the new global benchmark in the outsourcing of IT and banking transaction services
- 2019

Banca Leonardo / Indosuez Wealth Management merger is finalised under a unified brand name: Indosuez Wealth Management
- 2021

Société Générale's Private Bank chooses Azqore for its information systems and back-office operations offer
- 2021

Indosuez Wealth Management streamlines its setup and merges its entities in France: the birth of CA Indosuez

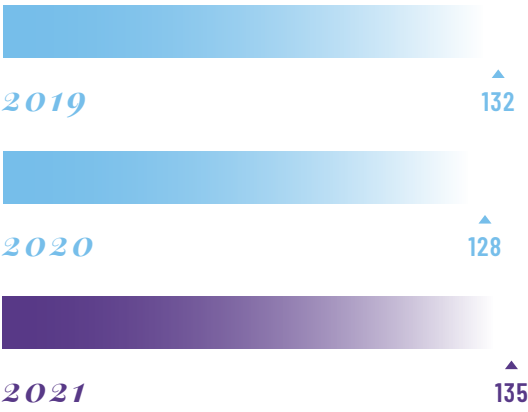
Indosuez Wealth Management is the global wealth management brand of the Crédit Agricole group, ranked the world's tenth-largest bank by balance sheet*. With over 145 years' experience of supporting families and entrepreneurs from around the world, Indosuez Wealth Management brings its customers a tailored approach that helps them to preserve and develop their wealth consistent with their aspirations. Boasting a global vision, the company's multi-disciplinary teams provide customers with bespoke and sustainable solutions combining excellence, experience and expertise. The Indosuez Wealth Management Teams are also strengthening their value proposition to foster more sustainable development and a more responsible economy in cooperation with other Group entities.

* (The Banker - 2021).

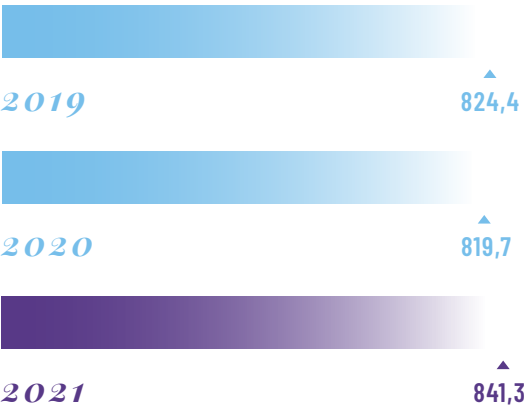
*Distinguished by its human
—and resolutely international—
dimension Indosuez Wealth Management
employs nearly **3 000 PEOPLE**
in **10 REGIONS** around the world.*



ASSETS UNDER MANAGEMENT (Bn €)



PNB (M €)

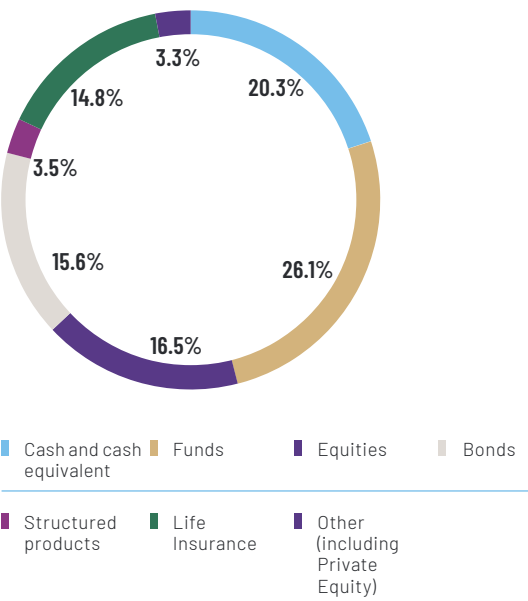


2021 RESULTS With 135 billion in assets under management (as at 31 December 2021), Indosuez Wealth Management is one of the world's leading wealth management companies. This significant increase reflects good business momentum in a context of very buoyant financial markets. Indosuez's value proposition has been strengthened, particularly in the credit, real assets and responsible investment segments, and has attracted a growing number of new clients.

NBI rose sharply to €841.3m on strong sales momentum, asset management quality and strong market trends. The substantial increase in credit revenues was inherent to the growth in financing. For the year as a whole, the underlying net income of the Group share reached its highest level since 2013 at €103.5m.

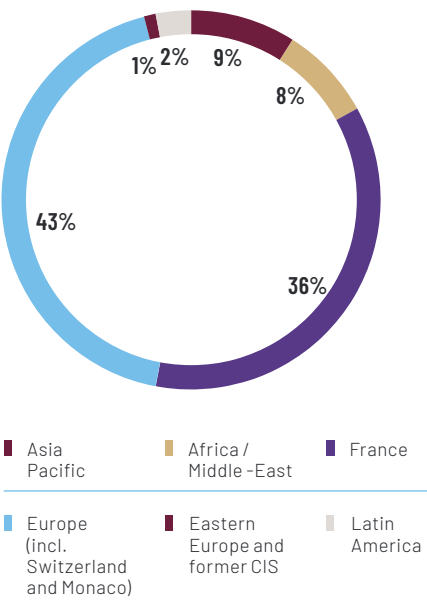
ASSET ALLOCATION

Diversified asset allocation, reflecting our ambition to protect and grow our customers' wealth.



GEOGRAPHIC VIEW BY COUNTRY OF RESIDENCE

The assets of our customers are positively diversified and fuelled by multiple growth drivers.



MANAGEMENT *Committee*



Olivier Chatain
CEO,
CA Indosuez Wealth
(Europe)



Julie de La Palme
Head of Marketing &
Communications,
CA Indosuez



Jacques Prost
CEO,
CA Indosuez



Pascal Exertier
CEO,
Azqore



Andras Takacs
Head of Risks &
Permanent Control,
CA Indosuez



**Isabelle
Denoual Frizzole**
Head of Compliance,
CA Indosuez



Pierre Masclet
Deputy CEO responsible
for Business Development,
CA Indosuez



**Anne-Laure
Branellec**
Head of Human Resources,
CA Indosuez



Mathieu Ferragut
CEO,
CFM Indosuez Wealth



Henri Tran
Head of Finance & Strategy,
General Secretariat & Legal,
CA Indosuez



**Jean-François
Deroche**
CEO,
CA Indosuez
(Switzerland) SA



Olivier Przydrozny
Head of Organisation &
Information Systems,
CA Indosuez



**Bastien
Charpentier**
Deputy CEO
responsible for Operations,
CA Indosuez



Romain Jérôme
Chief Digital Officer,
CA Indosuez



Marie Delesalle
Director of Front-Office
Assistants,
CA Indosuez



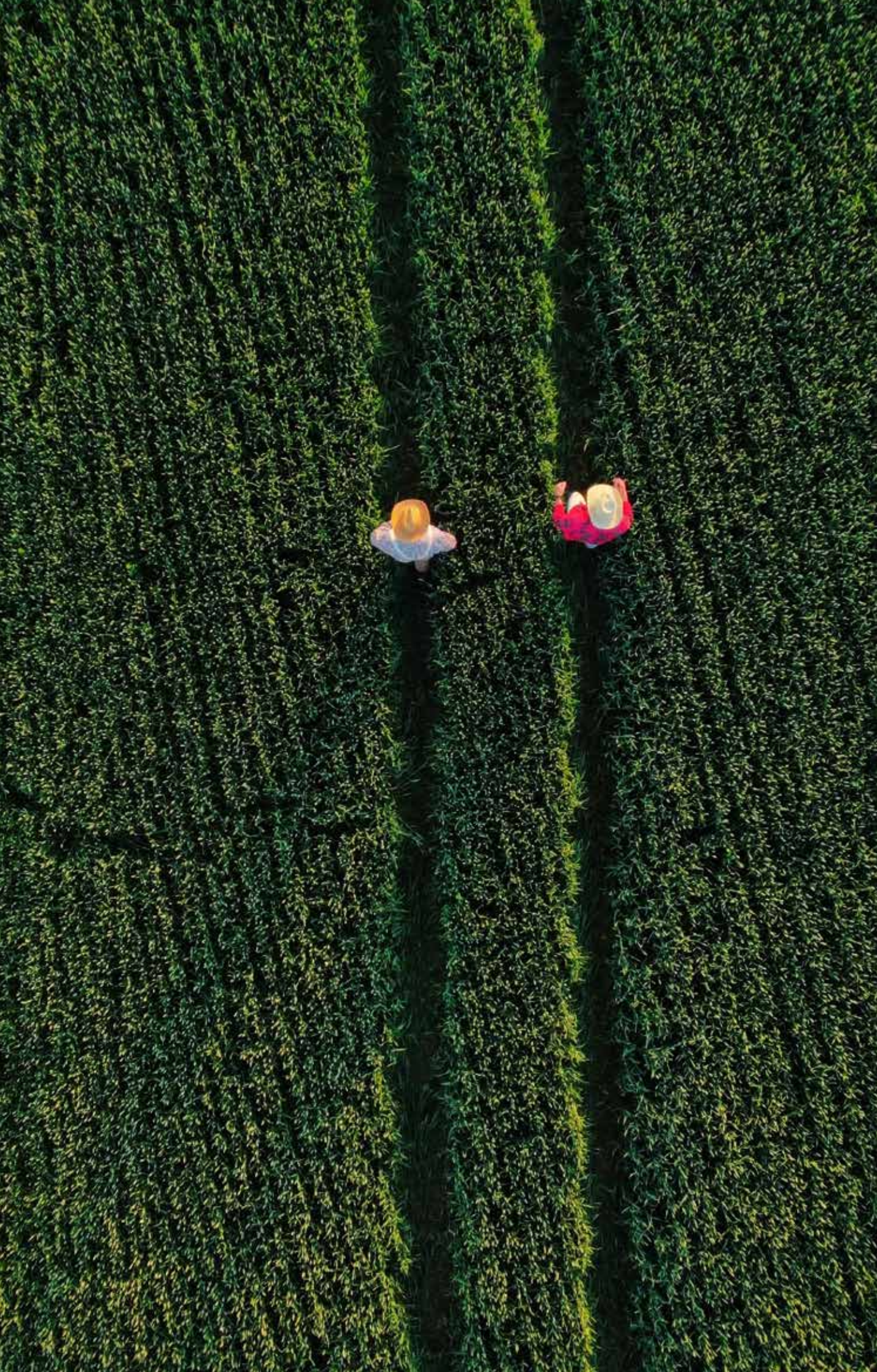
**Jean-Christophe
Droguet***
Head of Audit-Inspection,
*permanent guest



Guillaume Rimaud
CEO France Business Unit,
CA Indosuez

AWARDS
received





MESSAGE FROM THE SENIOR MANAGEMENT *of CA Indosuez*



Pierre Fort

Chairman
CA Indosuez



Jacques Prost

Chief Executive Officer
CA Indosuez

The main themes in 2021 were economic catch-up, monetary policy expansion and a favourable trend in the financial markets. But the year was also marked by rising inflation and growing geopolitical uncertainties.

With the health crisis continuing to disrupt the environment, Indosuez displayed a virtuous alchemy composed of resilience and change.

Our Group was able to fortify its fundamental vision, prove its usefulness to customers and society and achieve solid performances while pursuing its trajectory of transformation.

Despite the challenges of our environment, the talent, expertise and commitment of our employees, and their ability to work together to co-build, once again made a real difference in the successful completion of the numerous structural projects making up our corporate plan.

Regarding the **Customer Project**, the significant enhancement of our value proposition has produced results, particularly in collaboration with other Crédit Agricole Group entities. This was demonstrated in strong inflows (more than double those of last year) and high customer satisfaction levels. This was confirmed by our engagement and recommendation survey which was conducted in all our geographic regions for the first time. The technological partnership signed with Societe Generale's International Private Banking division is also a major milestone for Azqore and strengthens its position as a leading IT/back-office platform in the Private Banking sector.

In terms of the **Human Project**, we rolled out proactive action plans to promote gender equality, personal development and a culture of feedback. These initiatives were fully supported by employees, and many of them voiced their satisfaction. The health crisis was also a real catalyst for the transformations carried out on these fronts.

The **Societal Project** today expresses Indosuez's commitment and convictions in favour of a more sustainable environment and a more responsible and inclusive economy. This is evidenced in the tripling of inflows for our responsible offering and the transparency offered to our customers, who now benefit from an ESG rating of their portfolio which was developed by Amundi.

In addition to this progress on the three components of the Group project, we are also transforming by digitalising our offering and processes and boosting our operational efficiency. These changes have shored up our resilience and also generate a more sustainable growth base for meeting the challenges of our sector.

The new year has begun with an unprecedented environment of multiple uncertainties. More than ever, the Indosuez teams will demonstrate their full commitment and combine their expertise to analyse these issues, adapt their advice and support all our customers on a daily basis. To better serve customers while meeting the challenges of our environment we will also initiate a new corporate project inspired by their confidence – and that of our partners and shareholder – and informed by our spirit of innovation.

CUSTOMER PROJECT

Supporting our customers through a holistic and creative approach

« Expertise • Quality •
Innovation • International »

WHAT IS YOUR TAKE ON THE SALES MOMENTUM IN 2021, A YEAR MARKED BY A COMPLEX HEALTH ENVIRONMENT BUT BUOYANT MARKETS?

Momentum was strong across the entire Wealth Management sector, driven by solid financial markets, still accommodative monetary policy and a record year for mergers and acquisitions around the world. Indosuez also posted an extremely positive year, in particular doubling net inflows. Our performance demonstrates the quality of our offering and management, as well as the relevance of our holistic and creative approach. The appeal of this value proposition was confirmed by our customer survey, which we conducted for the first time on an international scale, and was recognised by our peers through awards in Europe and Asia.

Attracted by our brand, an increasing number of families and entrepreneurs joined Indosuez in 2021, some of them entrusting us with substantial assets. To better serve these customers and meet their expectations, we strengthened our UHNWI teams and worked even more closely with the other specialised business lines of the Crédit Agricole Group.

TALK ABOUT THE SUCCESS OF YOUR OFFERING, WHAT MAKES IT SO UNIQUE?

Our model is based on the unique combination of experience and expertise of the nearly 500 employees dedicated to the offering. Day after day, we strive to meet the expectations of our ever more sophisticated and diversified customers – keeping in close step with their changing profiles and the trajectory of the world around us.

Our customers are increasingly international, tech-savvy, autonomous, philanthropist and next-gen, expressing differentiated needs that our teams anticipate and meet.

In addition, in response to our environment, which some describe as "VUCA" – short for Volatility, Uncertainty, Complexity and Ambiguity – we seek to serve as a compass for our customers and succeed in major challenges. These include digitalisation, the development of attractive investment solutions amid persis-



Pierre Masclet

Deputy CEO responsible
for Business Development,
CA Indosuez

tently low interest rates, the integration of megatrends in our management choices (including the circular economy, 5G, artificial intelligence and robotisation), and efforts to foster a more sustainable environment and a more responsible and inclusive economy.

Our products and services are increasingly successful because we work to integrate all these components. Harnessing the know-how and talent of our experts, we aim to continuously improve our value proposition.

For example, for customers preferring to delegate the management of all or part of their assets, we have transformed our discretionary management system, which is now part of a culture focused on performance, customer service and long-term investment. We have further opened our mandates to Group experts and adopted a more active management approach and new strategies which are focused, in particular, on environmental and social issues as well as major traditional trends. We also offer structured product and private equity mandates, tailored to each region.

For the most experienced customers looking for solutions at the frontier of investment banking service, we offer market solutions through our Capital Markets Solutions experts, and notably over-the-counter (OTC) derivatives (reserved for "professional investors" in the regulatory sense of the term), along with complex structured products and fresh opportunities in the Forex and commodity markets.

For numerous customers seeking to diversify into real assets, we have further strengthened our private equity and real estate ranges.

Since 2020, Indosuez has offered its customers concrete opportunities to support promising companies and, according to the annual rankings of Private Equity International, is one of the world's top 100 private equity investors. We have received several awards in recent years, particularly in Asia.

These are just a few examples of our achievements, which naturally round out our customised and highly specialised legal and tax support, which are applicable around the world.

IS WEALTH ENGINEERING STILL A CORE SERVICE AT WEALTH MANAGEMENT BANKS?

An overarching and holistic approach inevitably integrates wealth structuring. At Indosuez, the components of the added value we deliver to our customers depend on their profile, expectations and wealth diversification and, naturally, on the economic cycle and the situation of the financial markets. Which means they are scalable. For example, in 2021, as the pandemic persisted and our customers searched for greater meaning, we noted a sharp increase in demand for investment in real assets, real estate and private equity in particular.

In any case, well-balanced wealth requires a precise structure established with sound advice given the increase in regulatory requirements in recent years. We believe it is our duty as a private banker to help preserve our customers' wealth and help them to structure it. As a natural result, our wealth engineering experts are organising more and more customer meetings every year.

HOW WOULD YOU DESCRIBE YOUR FINANCING OFFER?

We have an attractive complex financing offer thanks to the strength of the Group and an agile structure that enables us to meet the most sophisticated expectations with responsiveness.

We are also seeing an upward trend in outstanding loans, notably owing to new transactions carried out in the key account segment.

CAN YOU TELL US MORE ABOUT YOUR APPROACH FOR THE WEALTHIEST CUSTOMERS?

We have decided to combine our expertise with that of Crédit Agricole CIB and have created a joint Private Investment Banking (PIB) team to support high-net-worth individuals and family holding companies worldwide.

The aim is to better understand the needs of decision-makers and the members of these families through a joint commercial approach and to provide them with a comprehensive offering. PIB will be able to draw on all the Group's specialists able to address major specific challenges in record time. For example, succeeding in bringing the financing teams of Indosuez together with the M&A and coverage teams of Crédit Agricole CIB in less than 24 hours is truly differentiating. Also, to meet the needs of this customer segment at all times, we need to be able to leverage synergies with other Group entities, innovate and guarantee impeccable quality. By doing so, our approach for high-net-worth customers benefits our "regular" products and services, contributing to our competitiveness and image in the market.

A FEW WORDS ABOUT 2022?

I expect 2022 to be marked by a volatile market environment amid geopolitical and inflationary tensions. Our proactive approach to understanding trends, informing our customers and providing them with innovative solutions to meet these challenges will be key. To that end, we are strengthening our resources for marketing and distributing our products and services. At the same time, we are stepping up our exploration of new segments with a view to expanding our value proposition in the coming months, for example, by strengthening our real estate and private equity offering. The implementation of new digital tools will also be an opportunity to strengthen the customer experience.

SOCIETAL PROJECT

Fostering a more responsible and inclusive economy

« Engagement • Utility • Impact »

**IN 2021, THE COVID-19 CRISIS AND GLASGOW COP26
APPEAR TO HAVE INCREASED COLLECTIVE AWARENESS
OF THE CLIMATE EMERGENCY, WHICH INVESTORS
ARE NOW REFLECTING IN THEIR INVESTMENT
CHOICES – DID YOU SEE THE SAME THING IN 2021?**

The increase in assets under management in our responsible products and services reflects not just their quality and performance but the enthusiasm of our customers. They are looking for meaning in their investments and know how important financial players are to directing investments towards projects with significant environmental and societal impacts.

In addition, convinced of the role they are duty bound to play, most large financial institutions have established strategies on the climate and the transition to a low-carbon economy. It should also be noted that the ecosystem is underpinned by an increasingly precise regulatory framework, from the European Taxonomy to the Sustainable Finance Disclosure Regulation.

**CAN YOU REMIND US OF INDOSUEZ'S
POSITION IN THIS RESPECT?**

Indosuez adheres to the policy led by Crédit Agricole, which has been a pioneer in many respects and has proven its involvement for over 20 years through its commitments. The Group has been a signatory of the United Nations Global Compact since 2003 and the Principles for Responsible Investment since 2006. It was a founding member of the Green Bonds Principles in 2014 and has ranked as a pioneer in climate finance for over ten years.

At the end of 2021, the Group specified its societal plan based on three priorities: taking action for the climate and the transition to a low-carbon economy; strengthening cohesion and social inclusion; and succeeding in the agricultural and agri-food transitions. These priorities are expressed through ten commitments.



Virginie Bourgeois
Head of Sustainable Development and the Societal Project, CA Indosuez

As part of its company plan, Indosuez is building a comprehensive and innovative offering in favour of more sustainable development. To that end, we created global guidelines in 2019 to strengthen the offering of our Societal Project and support real-life solidarity initiatives led by volunteer employees as part of specific missions or through our foundations in France and Switzerland.

We also decided last year to allocate part of our over-performance fees to solidarity initiatives.

**WHAT CAN YOU TELL US ABOUT RESPONSIBLE
FINANCE AT INDOSUEZ?**

After the launch in November 2019 of the Indosuez Objectif Terre international equity fund (an Article 9 fund under the SFDR) to invest in the securities of companies contributing to the fight against global warming and the preservation of natural resources, we have continued to roll out responsible products and services in line with our ambitions.

We now integrate ESG criteria into our support methods (advisory and mandate management), our processes for developing and selecting financial products (direct securities, investment funds, structured products, Private Equity), our management teams and our credit approval policy. We naturally pay close attention to the rating of our funds under the SFDR. Today, two-thirds of the funds managed by our asset managers are ranked 8 or 9.

We have also enhanced our range of structured products with a number of "green" products, most of them issued by Crédit Agricole CIB, and a green structured products mandate. Working together with Crédit Agricole CIB, CFM Indosuez Wealth launched an innovative solidarity-based finance offering, CFM Indosuez Océano, in the summer of 2021. It attracted 81 customers and was accompanied by a donation to the Oceanographic Institute of Monaco, a key player in ocean protection and a partner of the bank.

ESG criteria have also been incorporated in the selection of Private Equity fund managers and are now used in management processes. Since the end of 2021, the portfolio statements sent to our customers have included ESG ratings drawn up by Amundi for all the directly held equities and bonds in its investment universe. They will be gradually extended to other asset classes.

The quality of our products and services was recognised at the 2021 WealthBriefingAsia Greater China Awards, where we won the Private Bank ESG Offering and SRI Offering awards.

Acknowledged by our peers, our CSR products and strategy are also increasingly better understood by our customers thanks to our communication efforts. For example, we have organised a special web conference and provided customers with educational documents, and our experts regularly deal with the subject in our publications.

**YOU ALSO TALKED ABOUT SOLIDARITY
INITIATIVES LED BY EMPLOYEES?**

Indosuez employees are driven by a genuine spirit of responsibility and solidarity with the aim of promoting the economic, social, environmental and cultural development in the regions in which they operate.

Their solidarity is expressed and supported by a robust organisational structure, from direct skills sponsorship to the Indosuez Foundations in France and Switzerland.

The Indosuez Foundation in France, operating under the aegis of the Fondation de France, has supported non-profit projects in favour of vulnerable people for over ten years now. Nearly 80 organisations, including 15 start-ups with social impact, have benefited from the skills sponsorship and the donation of working hours by nearly half of the workforce in France. Since 2012, the Indosuez Foundation has financed 30 environmental projects with a high economic and social impact for vulnerable communities in Switzerland and around the world. These projects

support local communities by fostering the transmission of knowledge, the empowerment of young people and the preservation of natural heritage. With its national corporate volunteering programme, Citizen Days, the Foundation offers Indosuez Group employees in Switzerland (Indosuez and Azqore) the opportunity to contribute their multi-disciplinary skills every year.

**HOW DOES THE COMMITMENT OF INDOSUEZ
EMPLOYEES CONTRIBUTE TO THE EXPERIENCE
YOU OFFER YOUR CUSTOMERS?**

Behind the volunteering and commitment of our employees, the usefulness of Indosuez, and in particular the usefulness of its Foundations, is now recognised on the market and by our customers. This gives us real philanthropic legitimacy, particularly amongst our customers. We are also developing highly complementary know how to support those seeking to strengthen their societal impact. We draw on our experience and expertise to advise them on their philanthropic projects, from the choice of the vehicle through to practical management.

A FEW WORDS ABOUT 2022?

In 2022, we will continue to roll out our responsible offering and ESG rating across all the asset classes in our investment universe.

We will further ensure that non-financial criteria are taken into account in our investment processes and strategies. Consistent with the commitments made by the Group, all employees will focus on reinforcing our usefulness to our customers and for society, thereby contributing to a just and fair transition. The societal component of our next corporate project will undoubtedly be as transformative as it is exciting.

HUMAN PROJECT

Developing the talents
of our employees to
serve our customers

« Responsibility •
Development • Diversity »



**Anne-Laure
Branellec**
Head of Human Resources,
CA Indosuez

THE HEALTH CRISIS WAS A PARTICULARLY TOUGH TEST IN ORGANISATIONAL TERMS, WHAT WAS YOUR EXPERIENCE IN 2021?

Our sole objective has always been to preserve the health of our employees while guaranteeing business continuity and top-quality service to our customers. We did so thanks to the remarkable efforts of the teams, the roll-out of new tools and changes to our work organisation. This success hinged on an unfailing individual and collective commitment.

Inspired by two Chinese ideograms that depict any crisis as a combination of dangers and opportunities, I would stress that the pandemic also served to considerably step up our transformation, regarding our ability to prioritise the essentials, our working methods, and our way of managing, motivating and enhancing accountability. We are now fully accustomed to a hybrid balance between on-site and remote work.

We also wanted to give a special welcome to the 470 employees who have joined us in the last two years, years which have been complicated by the health crisis. So, for the first time in our history, we organised a global web conference featuring interventions, testimonials and illustrations. The aim of this panoramic and accurate vision of Indosuez Group and its corporate culture was to boost the knowledge of new recruits, as well as their sense of belonging and cohesion.

To address the uncertainties of the unprecedented health situation, we further amplified the values central to our Human Project, because it was essential to take on more responsibilities and to act with discretion, without ever forgetting the interest of our customers.

Moreover, the many employees who expressed themselves in our annual engagement survey shared their satisfaction with our Group's working environment and human relations, as we attained a record high level.

TRANSFORMATION AND INNOVATION ARE OFTEN INTERTWINED. FOR YOU, WHAT WAS THE MOST IMPORTANT INNOVATION IN 2021?

For me it was the strengthening of the feedback culture, which is vital to continuous improvement. Convinced that feedback is a tool for individual development and the improvement of collective performance, we launched a special app accessible to all staff. It can be used to request and receive personal development feedback within a few minutes. This helps to transform the business model to the benefit of our customers and fosters a new, more collaborative, corporate culture encouraging initiatives at all levels.

FEEDBACK CLEARLY CONTRIBUTES TO PERSONAL DEVELOPMENT. WHAT ABOUT THE TRAINING OFTEN ASSOCIATED WITH CHANGE MANAGEMENT?

Regarding training, one year after the launch of our Digital Academy, an online library of content and tools that employees can use to develop at their own pace, the themes addressed have been considerably enriched in terms of languages, office automation, new technologies, CSR and training on the behavioural skills of the transformation.

Personal development has become a major topic for Indosuez employees. Since 2021, we have regularly organised events on key themes, alternating between personal development and strategic challenges. The main topics covered include knowledge of the Group, the agile culture, CSR fundamentals, the circular economy, well-being at work, diversity and inclusion, the managerial transition, the importance of feedback, and exceeding one's limits. Employees can find out more about these themes at the Digital Academy or as part of programmes dedicated to agile training provided to 140 employees in Organisation/MOA & Digital from Indosuez and Azqore.

CAN YOU TELL US ABOUT YOUR DIVERSITY COMMITMENTS AND THE PROGRESS MADE IN 2021?

Promoting diversity is central to the Human Project of our company plan. Promoting gender diversity is a long-term priority. We reiterated our commitments through an equal opportunities charter and renewed our leadership mentoring program in 2022. We also rolled out training sessions for female employees at the start of their careers and increased the dissemination of women's viewpoints through portraits distributed regularly both internally and externally. At the end of December 2021, women accounted for 31% of the positions in our management bodies. This proactive strategy on gender diversity has been recognised by three awards in Europe and Asia over the past year.

Also, in a particularly difficult context for younger generations lacking professional experience, we wanted to facilitate access to the professional world for young graduates and students. Thus, over 120 young people have immersed themselves in our Group through internships, professional training contracts or VIE positions.

A FEW WORDS ABOUT 2022?

In a complex and uncertain world, we need to harness our collective strength to adapt and transform ourselves to better meet our customers' expectations. We will continue to boost this collective power, enhancing it through the diverse profiles and experience of the Bank's men and women. We will also strengthen this collective strength by fostering accountability. How? By transforming our managerial culture, encouraging initiatives and cross-functionality, and enabling everyone to play a role in their career by developing their digital and behavioural skills.

DIGITAL TRANSFORMATION

Transform today and prepare for tomorrow

« *Agility • Innovation • Transformation*

THE HEALTH CRISIS HAS ACCELERATED THE DIGITALISATION OF THE BANKING RELATIONSHIP AS HIGH-NET-WORTH CUSTOMERS ASPIRE TO FULLY BESPOKE ADVICE. DO YOU BELIEVE THAT DIGITAL TECHNOLOGY AND HIGH-LEVEL CUSTOMISATION ARE CONTRADICTIONARY?

On the contrary! The health crisis has accelerated the momentum of the digital transformation, which at Indosuez is now reflected throughout the entire customer experience and promotes the customisation of advice and services. This involves simplifying the customer's relationship with the bank and removing all the removable administrative constraints.

We have set ourselves a clear ambition, offering our customers "a digital experience enhanced by people". Digitalising means offering customers the possibility of a hybrid relationship with their bank, giving them the choice of time and an autonomous experience, particularly when "roaming". Also by enabling bankers and experts to focus on higher added-value tasks, new generation tools such as robotic process automation and artificial intelligence frees up time for advice.

These are just a few examples of how digitalization is vital to strengthening the value proposition and streamlining the customer journey, both of which are key issues in the transformation of our business.

CAN YOU GIVE US SOME EXAMPLES OF YOUR ACHIEVEMENTS HAVING CONTRIBUTED TO THE EXPERIENCE OF YOUR CUSTOMERS AND THEIR SATISFACTION?

To start, I would point out that we benefit from opening up to the external solutions of the proprietary S2i banking platform that Azqore, our subsidiary specialising in outsourcing information systems and processing banking transactions for wealth management players, created. For some of our projects,



Romain Jérôme

Chief Digital Officer,
CA Indosuez

this allows us to consider partnerships with specialised and recognised FinTech's to develop extremely high added-value solutions.

Two key recent achievements are the digitalisation of the customer questionnaire when onboarding and the development of a platform for advice on the financial markets. Using the platform, customers can read about our convictions, explore our investment universe and create a list of preferred stocks that can be used by their advisor.

Also in 2021, we launched the Startup Connection app, which digitalises the process of connecting our investor customers with start-ups at the Village by CA in the fundraising phase. All these tools have been or are being rolled out, depending on the region.

HOW ARE YOU ORGANISED AT INDOSUEZ TO SUCCEED IN THESE INNOVATIVE PROJECTS?

Indosuez is driven by a genuine spirit of innovation maintained by its Innovation and Digital Transformation Division and assisted by a community of "Transformers". As ambassadors of the cultural transformation, Transformers are tasked with supporting their "Intrapreneur" colleagues by helping familiarise them with the tools of innovation. To bolster its momentum, Indosuez opened the Innovation Lab in 2020, a co-creation venue aimed at accelerating the company's digital transformation by involving its employees and customers. At the Innovation Lab, both can voice their opinions and recommendations on our prototypes and the evolution of our tools. This was particularly the case for the overhaul of E/M-Banking.

"Lunch & Learn" conferences on innovation topics are held at all Indosuez entities to support and educate all employees in the process.

A new cultural turning point was reached in 2021 with the launch of the first "idea challenge", which brought together 955 employees and created 328 ideas for the customer and employee experience. The five winning ideas have been developed and others will be developed in the coming months.

WHAT CAN YOU TELL US ABOUT THE TRANSFORMATION UNDER WAY IN FAVOUR OF EMPLOYEES?

Simplifying, streamlining and automating any eligible processes means improving our operational efficiency and the employee experience. But importantly it also contributes to the quality of service offered to our customers.

As such, we are committed to maintaining the innovation momentum on a wide range of topics and impacting all the layers of our organisation. For example, we used artificial intelligence and the generation of natural language texts to draft qualitative management comments in mandate and fund reports. We have also built an intranet of products and services, developed a tool for simplified and digitalised access to cross-border rules, and used synergies with the Group's entities as part of the adoption of the Alto management interface. Alto, an investment fund management tool developed by Amundi, offers simple access for managers with a 360° view of the information required to analyse, control and manage portfolios as well as helping them make investment decisions.

These "short cycle" initiatives are being implemented alongside structural strategic transformation projects such as the customer life-cycle management (CLM) tool and are generally carried out by "product owners" responsible for coordinating all the players required to create value for the digital product. They are supported by a product team (made up of developers, designers and producers) and ensure that users receive feedback with the aim

of developing even better functionalities. Generally speaking, they are managed using agile methods.

A FEW WORDS ABOUT 2022?

The challenge in 2022 will be to strengthen the appropriation of new tools by customers, bankers and experts for a seamless client journey. We will capitalise on successful experiences to continue developing innovative ideas, particularly those of the idea challenge. We will also fulfil our primary mission to serve all our clients and employees, notably by providing new services to our next-gen customers and enhancing mechanisms to boost operational efficiency for employees.

2021 REVIEW and 2022 Financial Market Outlook

Macroeconomic Analysis



Vincent Manuel

Chief Investment Officer
CA Indosuez

The recovery in 2021 was just as spectacular as the recession in 2020. Yet, this mirror effect did not reflect a return to normal but rather an acceleration of already established trends, disruptions and model changes – allowing us to anticipate trends for 2022.

HISTORY SEEMS TO HAVE BEEN MOVING FASTER OVER THE PAST TWO YEARS

2020 gave us a record recession triggered in just one month, a response from central banks orchestrated in a few days, and complex vaccines deployed in a few months. This all set against a backdrop of increasing technological disruption and the growing climate emergency.

2021 also gave us several surprises. With supply chain delays, shortages of raw materials and rising wages in the US, inflation became a less temporary feature of the post-lockdown economic landscape than had initially been anticipated by central banks. This inflationary trend did not weigh on the equity markets which continued their rise – underpinned by stronger-than-expected earnings growth.

The other disruptive factor of 2021 was, of course, China: regulatory tightening and restructuring in the real estate sector weighed on investor confidence after the euphoria seen at the beginning of the year. These two phenomena arose from structural trends that led the government to act and react: excessive real estate investments, declining population, rising inequality, an unregulated technological sector and increasing problems in accessing education and healthcare amongst the population. Neither the Chinese model nor the economy's long-term driving forces (fast growing middle classes and record R&D investments) are being called into question, however these structural trends are a source of uncertainty and need to be watched.

There is no doubt that the spectacular images of climate change helped boost investments in energy transition. In this respect, COP26 has disappointed many, as several emerging countries scaled back their carbon commitments. However, the return of the United States to the climate agreement is an encouraging sign.

2022: NORMALISATION OF GROWTH IN OUR ECONOMIES AMID GEOPOLITICAL TENSIONS

Initially, 2022 was expected to mark a return to normal growth in our economies. The combined effects of major support packages, the easing of measures implemented during the pandemic and high levels of savings should have supported consumption and investment in mature economies. However: it is impossible to predict the duration, the risk of extension or the possible outcome of the war in Ukraine and this has raised uncertainty and increased the threat of a sharper slowdown – particularly in Europe. It also augers higher inflation due to the inevitable pressure on commodity prices. The impact on inflation of soaring energy prices and supply chain disruptions should gradually fade, but inflation is expected to remain well above central banks' targets in 2022. In particular, rising wages in the United States bring the possibility of lasting inflation and have led the Fed to take action.

A rate hike cycle is underway this year. The Fed and the BoE opened proceedings, partially followed by the ECB, which has brought forward the end of its asset purchase programme to give itself more leeway to raise rates if necessary. Monetary policy will certainly remain accommodating with real interest rates remaining below zero but will probably be less favourable than in 2020-2021. This will almost automatically lead to an adjustment in asset prices. The strength of the US Dollar at the start of the year could gradually fade from mid-2022 as

the markets adjust their pricing to the foreseen hike in rates. In this multi-speed normalisation, in which the ECB will be less active, expectations of a strong rebound in the currency may have to be tempered.

Emerging countries are preparing for, perhaps even anticipating, this normalisation of US monetary policy. Some have already taken the lead. The central banks of Brazil and South Africa have already increased their rates under pressure from rising inflation and weak currencies, even at the risk of slowing growth. In this monetary landscape there is one notable exception: China has cut rates to increase its support for the economy – particularly in response to the housing crisis and the threat of a resurgence of the epidemic.

The main risk in this scenario of normalisation is an excessively abrupt rise in long yields, which would have a negative impact on the equity markets and on bond risk premiums. Some of this risk materialised at the start of the year, with the US 10-year yield reaching 2%, while growth stocks corrected and credit spreads widened.

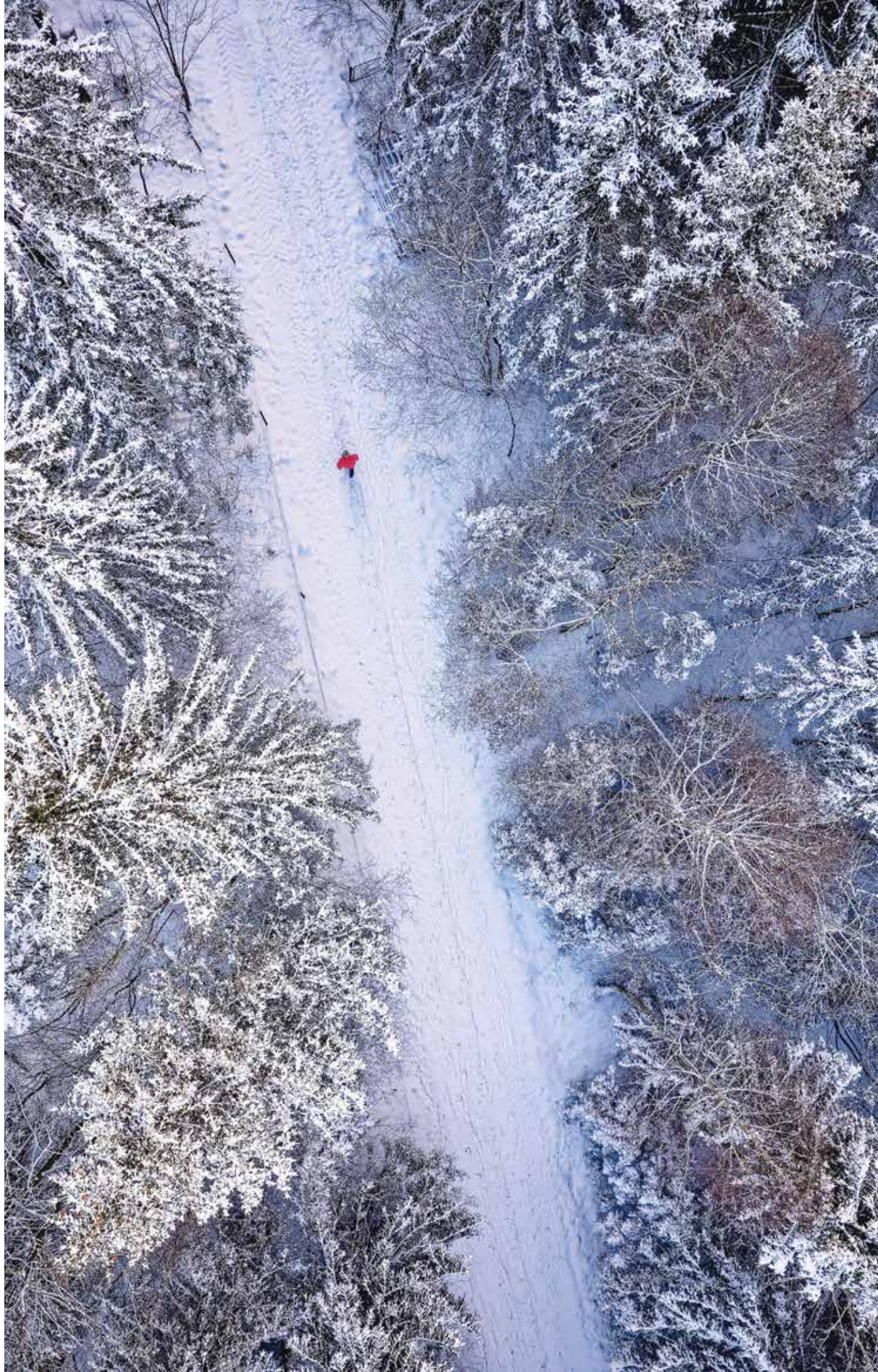
The other major risk emerging at the start of 2022 is obviously the rise in geopolitical tensions in Eastern Europe – leading to a recession in Europe and a return of volatility to the peaks of 2021.

On the corporate side, a return to more normal levels of earnings growth is to be expected after the 2021 boom. The downgrading of forecasts automatically leads to expectations of much more moderate earnings growth. Moreover, tensions in the commodities market are increasing pressure on margins. As a result, we believe the key themes of 2022 will be the sustainability of profit margins and cash flow generation.



03

*Activity Report
CA Indosuez Wealth (Europe)*



GOVERNING BODIES OF THE BANK

AT 31.12.2021

BOARD OF DIRECTORS

Jacques PROST
Chairman

Olivier CHATAIN
Deputy Director

Jean-François ABADIE
Director

Gaétan DES RIEUX
Director

Bastien CHARPENTIER
Director

Paule CELLARD
Independent Director

Jean GUILL
Independent Director

MANAGEMENT COMMITTEE

Olivier CHATAIN
Chief Executive Officer
Chairman of the Executive Committee

Pierre-Louis COLETTE
Deputy Chief Executive Officer

Eric POLGE
Directeur de la Clientèle

Philippe BOURIN
General Secretary

Nicolas BAYET
Global Head of Investment Solutions

Sophie CHAMPENOIS
Global Head of Structuring & Financing

Cyrille NAHABEDIAN
Global Head of Capital Markets Solutions

Marie COGNET
Head of Communication

Didier RABEL
Head of Human Resources

Isabelle WATY
Chief Innovation Officer



ACTIVITY REPORT OF

CA Indosuez Wealth (Europe) 2021



Olivier Chatain

Chief Executive Officer,
CA Indosuez Wealth (Europe)

During 2021, CA Indosuez Wealth (Europe) continued its wealth management activities serving its high-end clients both in Luxembourg and through its Belgian and Spanish branches and its Italian subsidiary, which became a branch in December 2021.

This year was marked by numerous commercial successes and the continued rolling-out of our value-added service offering, which includes complex financing accounts, proving our ability to fully tailor our services to key clients' projects.

Global media awarded us the "Best Private Bank in Luxembourg" award, recognising our teams, our offerings to serve our clients and the relevance of our Crescendo 2022 corporate plan. In 2021, we continued its rolling-out and made progress, at each of our locations, on each of its six pillars.

THE CLIENT PROJECT

In 2021, we conducted a survey of our customers with the CSA Research Institute to measure their satisfaction. The “customer recommendation” index obtained was positive, higher than the average observed by this institute. Respondents praised the quality and professionalism of our teams while expressing expectations in terms of digital solutions.

With regard to our service offering, we continued to transform our assets into mandates, supported the development of Indosuez funds and directed our clients’ investments towards ESG solutions. We carried out large transactions with CACIB’s teams and significantly developed our credit portfolio, with major progress, particularly in Belgium, Spain and Luxembourg. Various innovations emerged, particularly in Spain, with the remarkable commercial success of *MilePro Club Deal*, which allows our Spanish clients to invest in logistics infrastructure close to the country’s major cities. Lastly, and at the same time as the resizing of local teams, which is now contributing to the reduction in expenses, the year was marked by the strong start in Italy of the Aliante project for the development of synergies between our Bank and Crédit Agricole Italia with promising inflows. Drawing on the strong roots of Crédit Agricole Italia and Indosuez’s international products and services platform, this project aims to maximise synergies within the Group in Italy and accelerate the acquisition of UHNWI clients.

THE SOCIETAL PROJECT

Our Bank responded to its *raison d’être*, “working every day in the interest of our customers and society”, by rolling out new actions in 2021, alongside Luxembourg associations in particular. A skills sponsorship programme developed with Caritas was offered to employees. A Citizen Day event in partnership with the Hëllef fir d’Natur Foundation enabled them to commit to biodiversity in Luxembourg for a day. We have also partnered with CACEIS to install hives in our gardens: the first jars of honey are expected in 2022.

Finally, in December, employees were invited to participate in “L’euro solidaire” by accepting a monthly deduction from their salary of one or more euros in favour of the Kriibskrank Kanner association, which supports the families of children suffering from cancer or rare life-threatening diseases on a daily basis.

Being responsible also means helping our clients build sustainable wealth. Throughout the year, we pursued the enhancement of our “green” offering through our products or services, in our management and through structured products. Our clients have also benefited from ESG ratings in their portfolio statements since the end of December 2021 for equities and bonds.

THE HUMAN PROJECT

2021 was marked by the launch of the NEO project, which led to the opening, on the Luxembourg side, of two new office sites on the French and Belgian borders in Esch-Belval and Windhof, in order to meet the needs expressed by employees to reduce their travel time for a better work/life balance. With the continuation of telecommuting and these new sites, our Bank is implementing hybrid work over the long term and supports the associated changes through a dedicated change management programme. We also responded to the Group’s strong commitments on diversity, particularly by appointing three women (30%) to our Executive Committee. Lastly, as every year, we renewed the “Le mois de la Santé” campaign to inform and raise awareness among our employees on this topic.

ACCELERATE OUR DIGITAL TRANSFORMATION

In 2021, we continued to roll out our new CLM (Client Life-cycle Management) tool, a project for which Indosuez Luxembourg is the pilot site for the Indosuez group. The employee/banker experience has been enhanced with new tools linked to our expertise: MyAdvisory, on the one hand, showcases the vision of Indosuez’s markets and its recommendations, and MyDoc Base, on the other, the Group’s new offer and product intranet, centralises all administrative and commercial documents. Our Investment Advisors were also able to use a new platform to generate tailor-made investment proposals for our clients for greater efficiency and quality. Finally, 2021 was marked by the growing use by our customers of the digital tools made available to them: our e-banking website and myIndosuez, our online banking app, which we are continuing to develop.

BOOST OPERATING EFFICIENCY

On the financial front, we achieved significant performance, particularly in Luxembourg and Belgium. The year was notable for the transformation of our subsidiary in Italy into a branch and its IT migration to our Group-wide operating system, S2i. This project, which strongly mobilised our teams, is a key step in making our system in Italy more efficient.

In 2021, Indosuez Luxembourg also confirmed its role as a centre of service expertise for the entire Indosuez group: for example, the integration within our Capital Markets Solutions teams of Indosuez France’s execution, Forex, derivatives and treasury departments. The so-called “TLTRO” programme put in place on behalf of Indosuez entities outside Switzerland and CACIB branches in Europe is also worth mentioning.

REINFORCE OUR COMPLIANCE SYSTEM

We aim to better manage and secure our compliance system. As such, we rigorously continued the plan to upgrade our clients’ KYC files (ACDC2).

We rolled out a BTCA Bloomberg project in Luxembourg for the processing of Market Abuse alerts, a tool meant to be used by the entire Indosuez group.

2021 was therefore characterised by a lot of achievements in all areas and in our four regions. Even though the war which recently broke out in Ukraine immediately disrupted capital markets, casting a veil of uncertainty over 2022, the dynamics of the business and the commitment of our teams allow us to look forward to 2022 with ambition and determination at the service of our European clients.

EVOLUTIONS OF *the balance sheet*

Out of a total balance sheet of €14.15 billion at 31 December 2021, customer deposits amounted to €7.35 billion and interbank financing reached €6.22 billion, including €4.99 billion in loans from the BCL under TLTRO III.

As for balance sheet assets, loans and receivables due from credit institutions were €7 billion at end-December 2021 (including an impact due to TLTRO of €5.01 billion in repurchase loans to CACIB as part of the TLTRO) and loans to customers amounted to €3.65 billion.

The Bank's shareholders' equity as at 31 December 2021 stood at €459 million, net earnings for the financial year included, versus €452 million at the end of 2020.

The Bank did not buy back any of its own shares. It did not have any research and development activities.

RETURN ON ASSETS

As at 31 December 2021, the yield of assets of CA Indosuez Wealth (Europe) was close to 0.04%. Return on equity came in at 1.4% in 2021, versus -3.2% in 2020.

CHANGE IN EARNINGS

The profit for the 2021 financial year was €6,190,992 after taxes, compared with a loss of €14,383,995 in 2020.

This result includes a positive contribution from the Luxembourg entity of €7,797,883, a negative contribution of €3,748,854 from the Spanish branch, a positive contribution of €3,028,561 from the Belgian branch and a negative contribution of €886,598 from the new Italian branch.

In December 2021, the bank turned its subsidiary CA Indosuez Wealth (Italy) S.p.A. into a branch. This transaction resulted in a capital loss of €11,005,001.

The balance of retained earnings came to -€947,262 after appropriation of earnings in 2020. The wealth tax reserves for 2016 could be released in the sum of €3,600,000. The available profit was thus €8,843,730.

It is proposed that the Shareholders' Meeting allocate the legal reserve of €309,550 to distribute a dividend of €5,000,000 and carry forward €3,534,180.



INFORMATION *on risks*

STRATEGY FOR USING FINANCIAL INSTRUMENTS

The Bank's policy is to not be exposed to market risk.

Foreign exchange and interest rate risk are systematically hedged with Crédit Agricole Corporate and Investment Bank (CACIB) as part of risk limits set by the Group. The Bank does not have a trading portfolio and is subject to the simplified solvency ratio due to the absence of market risks.

At 31 December 2021, the Bank had commitments relating to client transactions in the following instruments: OTC derivatives (Forex, Equity, etc.) and listed derivatives (such as options, etc.); it systematically and fully hedges its derivative transactions, with the Group first and foremost, and with top-tier financial counterparties in keeping with EMIR.

The Bank is not active in credit derivative markets.

Quantitative information on financial instruments can be found in Note 3 of the notes to the annual accounts as at 31 December 2021.

RISK MANAGEMENT POLICY AND PRACTICES

Liquidity risk

Management of the liquidity risk of CA of Indosuez Wealth (Europe) is governed by the Crédit Agricole group's corpus of management and supervision standards. These standards are supplemented by standards specific to CACIB's activity.

The main objectives are to:

- ensure the availability of an adequate level of liquidity in the short term in a crisis situation, and in the medium term, to ensure the commercial activities' sustainability;
- protect the Group's sales margins against a change in the price of access to liquidity.

The Asset and Liability Management department is responsible for managing liquidity risk based on the decisions of the decision-making body, the Board of Directors of CA Indosuez Wealth (Europe), which approves the system for the supervision and management of liquidity risk.

The Asset and Liability Management department notably monitors the change in liquidity and the portfolio of high quality, liquid assets (HQLA). Invoicing/internal remuneration grids are defined by CACIB's Asset and Liability Management "Scarce Resources" Committee.

Finally, CACIB's Market Risk Department (MCR) approves liquidity indicator models and methodologies and helps to define short-term limits. MCR produces short-term liquidity indicators daily (particularly liquidity stress tests) and monitors the consumption of short-term liquidity limits, with the presence in Luxembourg of a team specially dedicated to CA Indosuez Wealth (Europe).

In terms of regulatory ratios, at 31.12.2021:

- The LCR (Liquidity Coverage Ratio) is 126%.
- The NSFR (Net Stable Funding Ratio) is 141%.

These regulatory ratios are supplemented each month by ALMM (Additional Liquidity Monitoring Metrics), consisting of regulatory reporting that provides the relevant authorities with an understandable overview of the liquidity risk profile of CA Indosuez Wealth (Europe).

Counterparty risk

All cash is placed in the CASA / CACIB group, with the exception of residual deposits resulting from the balance of its daily commercial flows with leading institutions managing these flows. Capital Markets Solutions deals with first-class financial counterparties in accordance with the counterparty limits allocated by CACIB.

Interest rate risk

Treasury transactions are managed in accordance with the interest rate risk limits authorised by CACIB. Differences are managed for up to twelve months while strictly adhering to the "value at risk" limit set by our parent company.

Exchange-rate risk

Foreign exchange transactions are carried out for private clients with the CACIB group, while adhering to the authorised limits.

Credit risk

Credit is a support product that helps build client loyalty or optimise clients' assets. Credit, particularly for very important clients, has become a strategic component of offerings. However, it must contribute to creating a lasting relationship based on holding assets. These credit activities are part of a risk strategy designed by Indosuez Wealth Management or by CACIB's "Structured Finance Solutions" or "Structured Finance" business lines.

Operating and other risks

This category includes all other risks not previously mentioned. Operating risk is managed on a daily basis by all employees conducting operations while following strict procedures. In case of an incident, the permanent control department ensures that issues are resolved and that corrective measures are established. Ethical or financial security risks and legal risks are monitored by the compliance department and the Legal department respectively within the framework of specific committees, amongst other things.

Additionally, the Bank has developed a system that aims to support and decentralise, at the business line managerial level, direct monitoring of compliance with applicable regulations and procedures within teams. This is done to guarantee risk management. This system applies to all departments of our Bank, as well as within our branches in Belgium, Spain and Italy.

RISK MANAGEMENT PROCEDURE

The management and monitoring of credit risks have been placed under the responsibility of the local Risk and Permanent Control(RPC) office of CA Indosuez within its client "counterparty risk" unit. The tracking of "ongoing risks", which include operating risks, among others, is conducted by the permanent control department.

Credit decisions

Credit decisions are made using the double signing principle (front / risks). If an unfavourable opinion is given, the application may be sent to a higher level for a decision in an appeal procedure.

Credit applications also include a counterparty rating system, a central mechanism of the Basel III process, which has been automated since July 2007 for the Wealth Management activities. This system makes it possible to continuously determine capital requirements and contributes to setting a fair price for transactions. An electronic workflow system ensuring that operations are fully traceable was deployed for the Luxembourg entity and its branches.

Credit-granting powers

Local credit-granting powers are limited to the Wealth Management activities. Direct and indirect counterparty risks relating to banks and other financial institutions are outside the scope of locally delegated powers. Lending to these institutions must be authorised by the CACIB Risk Department.

HUMAN Resources

During 2021, as during the past year, the Human Resources Department took particular care to prevent the spread of COVID-19 within the bank's premises, continuing its prudent approach put in place in 2020. For example, the teleworking rules have been regularly adapted depending on the scope of the pandemic. No cases of on-site contamination were observed across Indosuez Europe's entire scope.

Simultaneously, and in perfect line with the Societal Project and the Indosuez group's Human Project, the bank opened new premises in Luxembourg, close to the Belgian and French borders, in order to:

- decrease commuting times of employees;
- encourage interdepartmental exchanges;
- anticipate the end of the pandemic, a period when the number on teleworking days of cross-border employees will be limited outside Luxembourg.

The opening of these 2 new sites by the bank has been a real success and meets the expectations of employees.

In Italy, a major workforce reduction plan was carried out in order to adapt our HR system to the needs of the Italian entity. This reduction in the workforce (47 people) was carried out in full coordination with the other entities of the Crédit Agricole group in Italy, making it possible to reclassify the employees concerned by this reduction within the workforce of the various entities and thus avoid dismissal.

Lastly, and like every year, managing payroll was one of the main objectives of the Human Resources Department, especially in a year marked by new wage indexation in Luxembourg. The regulatory training plan was successfully completed through remote sessions due to the health situation but also with a few face-to-face sessions where possible.

The file review process "Improving KYC and Documentation 2" (ACDC2) continued, resulting in the use of a significant number of fixed-term contracts in the four countries.

At 31 December 2021, permanent and fixed-term contracts amounted to 355.8 FTE in Luxembourg, including 19.8 fixed-term contracts. The branches had 39 FTE in Belgium(including 1 fixed-term contract), 73.5 FTE in Spain (including 7 fixed-term contracts) and 133.9 FTE in Italy (including 2 fixed-term contracts). Fixed-term contracts are mainly linked to the ACDC2 project.

Therefore, the total headcount of CA Indosuez Wealth (Europe) was 602.2 FTE at 31/12/2021, of which 572.4 FTE were on permanent contracts and 29.8 FTE were on fixed-term contracts.

SOCIAL REPORT

*Non-financial information
and information relating
to diversity*

The French act of 23 July 2016 on the publication of non-financial information and information relating to diversity by certain large companies and certain groups (hereinafter the “NFR Act”) applies to the Group as of the 2017 financial year. This law requires the companies concerned, including banks, to publish in their management report or in a separate report relevant information on their policies, the related risks and the results obtained with regard to social, environmental, staff, respect for human rights and the fight against corruption, as well as diversity in the composition of their Board of Directors or Supervisory Board.

In accordance with the provisions of the NFR Act, CA Indosuez Wealth (Europe) is, however, exempted from such publication because of the issue of a consolidated report by its parent company Crédit Agricole Corporate and Investment Bank. This report, known as the “Registration Document”, is available on the CACIB website at the following address:

<https://www.ca-cib.com/activity-report/en/>

Since 2019, CA Indosuez Wealth (Europe) has also reported its initiatives to promote more sustainable development and a more responsible economy in the Indosuez group's sustainable development report. This report is available at the following address: <https://ca-indosuez.com/headlines/latest-news/indosuez-releases-its-2020-sustainable-development-report>



2021 KEY FIGURES

IN MILLIONS OF EUROS

(book value - in EUR)	31/12/21	31/12/20
Balance sheet	14 151	7 700
Capital and reserves	459	452
Net profit	6.2	-14.4
Year-end permanent staff	623	625
Solvency ratio (COREP)	17%	18%
Return on Equity (ROE)	1.4%	-3.2%



Ernst & Young
Limited liability company
(société anonyme)
35E, Avenue John F. Kennedy
L-1855 Luxembourg
Tel: +352 42 124 1
www.ey.com/luxembourg

E.P. 780
L-2017 Luxembourg
R.C.S. B 771
VAT LU 16063C74

Report of the registered independent auditor

To the Board of Directors of
CA Indosuez Wealth (Europe)
Limited Liability Company (société anonyme)
39, allée Scheffer
L-2520 Luxembourg

Report on the audit of the financial statements

Opinion

We have carried out an audit of the financial statements of CA Indosuez Wealth (Europe) (the “Bank”) at 31 December 2021 along with the profit and loss account for the financial year ended on that date, and the notes to the financial statements, including a summary of the main accounting methods applied.

In our opinion, the enclosed financial statements give a faithful image of the Bank’s financial position at 31 December 2021, and of the earnings for the financial year ended on that date, in accordance with the statutory and regulatory obligations relating to the preparation and presentation of financial statements in force in Luxembourg.

Basis of opinion

We conducted our audit in compliance with Regulation (EU) No 537/2014, the law of 23 July 2016 on the audit profession (the “law of 23 July 2016”) and international audit standards (“ISAs”), as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (“CSSF”). Our responsibilities under this regulation, this law and these standards are described in more detail in the section “Responsibilities of the registered independent auditor for the audit of financial statements” of this report. We are also independent from the Bank, in accordance with the International Code of Ethics for Accountants, including the international standards of independence, published by the International Ethics Standards Board for Accountants (the “IESBA Code”), as adopted for Luxembourg by the CSSF, and the ethics rules applied to the audit of financial statements, and we have fulfilled the other responsibilities incumbent upon us according to these rules. We consider that the evidence we have gathered is sufficient and appropriate to form the basis of our audit opinion.

Key issues of the audit

The key issues of the audit are the issues that, in our professional judgement, were the most important in the audit of the financial statements for the period under review. These issues were explored within the context of our audit of the financial statements taken as a whole, and for the purposes of forming our opinion regarding them, and we do not express a separate opinion regarding these issues.



Key elements of the audit

Assessment of value adjustments in respect of bad debt

The customer lending activity is a strategic component of the Bank’s offer to its non-banking customers.

The Bank’s policy is to recognise specific value adjustments in respect of any bad debt or unrecoverable debt resulting from this activity. The total value adjustments correspond to the positive difference between the gross book value of the debts concerned and their estimated recoverable value. The Bank re-examines all of its assets regularly and at least quarterly and assesses whether there is any evidence that a debt has lost value.

We considered that the valuation of value adjustments associated with loans granted to customers constitutes a key element of the audit. In fact, the determination of these value adjustments requires judgement, taking into account the complex and subjective nature of estimating future cash flows, evaluating guarantees received, where applicable, and determining provisioning rates. This element is particularly important since accounts receivable from clients constitute an important component of the Bank’s overall balance sheet.

At 31 December 2021, accounts receivable from clients total EUR 3,654.7 million (i.e. 25.8% of the balance sheet total on that same date), taking account of value adjustments posted for EUR 11.6 million.

Refer to note 3 of the notes to the financial statements.

How these key elements were addressed during our audit

We examined the system set in place within the Bank to identify debts to be impaired and to assess the total value adjustments to be entered in the accounts.

We tested the correct application of audit procedures in this matter. This included checks in connection with:

- The process for identification of the sensitive, doubtful nature of debts;
- The process for monitoring limit breaches and guarantees which have become insufficient;
- The review and approval by the competent committees of value adjustments to be recognised, used or written back;
- The process for valuation of guarantees received, where applicable, as hedging of loans granted;
- Determination of specific value adjustments taking account of the quality criterion attributed to the counterparty and estimated future cash flows.

We carried out substantive audit procedures on a sample of impaired loans. We critically examined the assumptions applied by the Bank for the determination of value adjustments.

Furthermore, based on a sample of non-impaired loans - a sample made up of key elements and elements selected by judgement, we critically examined the evidence gathered by the Bank enabling it to consider these debts as not doubtful.

Other information

Responsibility for other information lies with the Board of Directors. Other information is made up of the information contained in the management report but does not include the financial statements and our registered independent auditor's report on these financial statements.

Our opinion on the financial statements does not extend to other information and we do not express any kind of assurance about this information.

Regarding our audit of the financial statements, our responsibility consists of reading other information and, in so doing, assessing whether there is significant inconsistency between that information and the financial statements or the knowledge that we have acquired during the audit, or whether other information seems otherwise to comprise a significant misstatement. If, in the light of the work we have carried out, we conclude on the presence of a significant misstatement in other information, we are required to report this fact. We have nothing to report in this respect.

Responsibilities of the Board of Directors regarding the financial statements

The Board of Directors is responsible for the faithful preparation and presentation of the financial statements in accordance with the statutory and regulatory obligations relating to the preparation and presentation of financial statements in force in Luxembourg, and also for the internal control that it considers necessary in order to allow the preparation of financial statements that do not contain any significant misstatements, whether these originate from fraud or from error.

During the preparation of financial statements, it is the responsibility of the Board of Directors to evaluate the Bank's capacity to continue its operation, to communicate, where applicable, the questions relating to continuity of operation and to apply the accounting principle of continuity of operation, unless the Board of Directors intends liquidating the Bank or ceasing its activity or if any other realistic solution is offered to it.

Responsibilities of the registered independent auditor for the audit of the financial statements

Our objectives are to obtain reasonable assurance that the financial statements, considered as a whole, do not contain any significant misstatements, whether these originate from fraud or from error, and to issue a registered independent auditor's report containing our opinion. Reasonable assurance corresponds to a high level of assurance, which does not, however, guarantee that an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23 July 2016 and the ISAs, as adopted for Luxembourg by the CSSF, will always make it possible to detect any significant misstatements which might exist. Misstatements may originate from fraud or from error and are considered significant when it is reasonable to expect that, individually or collectively, they might influence the economic decisions which users of the financial statements take based on the financial statements.

In the context of an audit conducted in accordance with Regulation (EU) No 537/2014, the law of 23 July 2016 and the ISAs, as adopted for Luxembourg by the CSSF, we exercise our professional judgement and demonstrate critical thinking throughout this audit. In addition:

- We identify and assess the risks that the financial statements may contain significant misstatements, whether these originate from fraud or error, conceive and implement audit procedures in response to these risks, and bring together sufficient and appropriate proof on which to base our opinion. The risk of non-detection of a significant misstatement resulting from fraud is higher than that of a significant misstatement resulting from error, since fraud can involve collusion, falsification, intentional omissions, false declarations or evasion of internal control;
- We acquire an understanding of the elements of the internal control relevant for the audit in order to conceive audit procedures appropriate to the circumstances and not with a view to expressing an opinion on the effectiveness of the Bank's internal control;
- We assess the appropriate nature of the accounting methods applied and the reasonable nature of the accounting estimates made by the Board of Directors, along with the corresponding information provided by the latter;
- We draw a conclusion regarding the appropriate nature of the use by the Board of Directors of the accounting principle of continuity of operation and, depending on the proof obtained, regarding the existence or not of a significant uncertainty associated with events or situations likely to throw significant doubt on the Bank's capacity to continue its operation. If we conclude on the existence of a significant uncertainty, we are required to draw the attention of the readers of our report to the information provided in the financial statements regarding this uncertainty or, if this information is not adequate, to express a modified opinion. Our conclusions are based on the proof obtained up to the date of our report. However, future events or situations could require the Bank to cease its operation;
- We assess the overall presentation, form and content of the financial statements, including the information provided in the notes, and assess whether the financial statements represent the operations and underlying events in a way likely to give a faithful image.

We advise the corporate governance managers in particular of the extent and envisaged schedule of the audit work and our major findings, including any major deficiencies in internal control that we have noted during our audit.

Among the issues communicated to the people responsible for corporate governance, we determine which issues were most important in the audit of the financial statements for the period under review: these are the key issues of the audit. We describe these issues in our report unless legislation or regulation prevent publication of them.

Report on other statutory and regulatory obligations

We were designated as the registered independent auditor by the meeting of the Board of Directors on 11 December 2020, and the total term of our mission, without interruption, including extensions and previous renewals, is 16 years.

The management report conforms to the financial statements and has been drawn up in accordance with the applicable legal requirements.

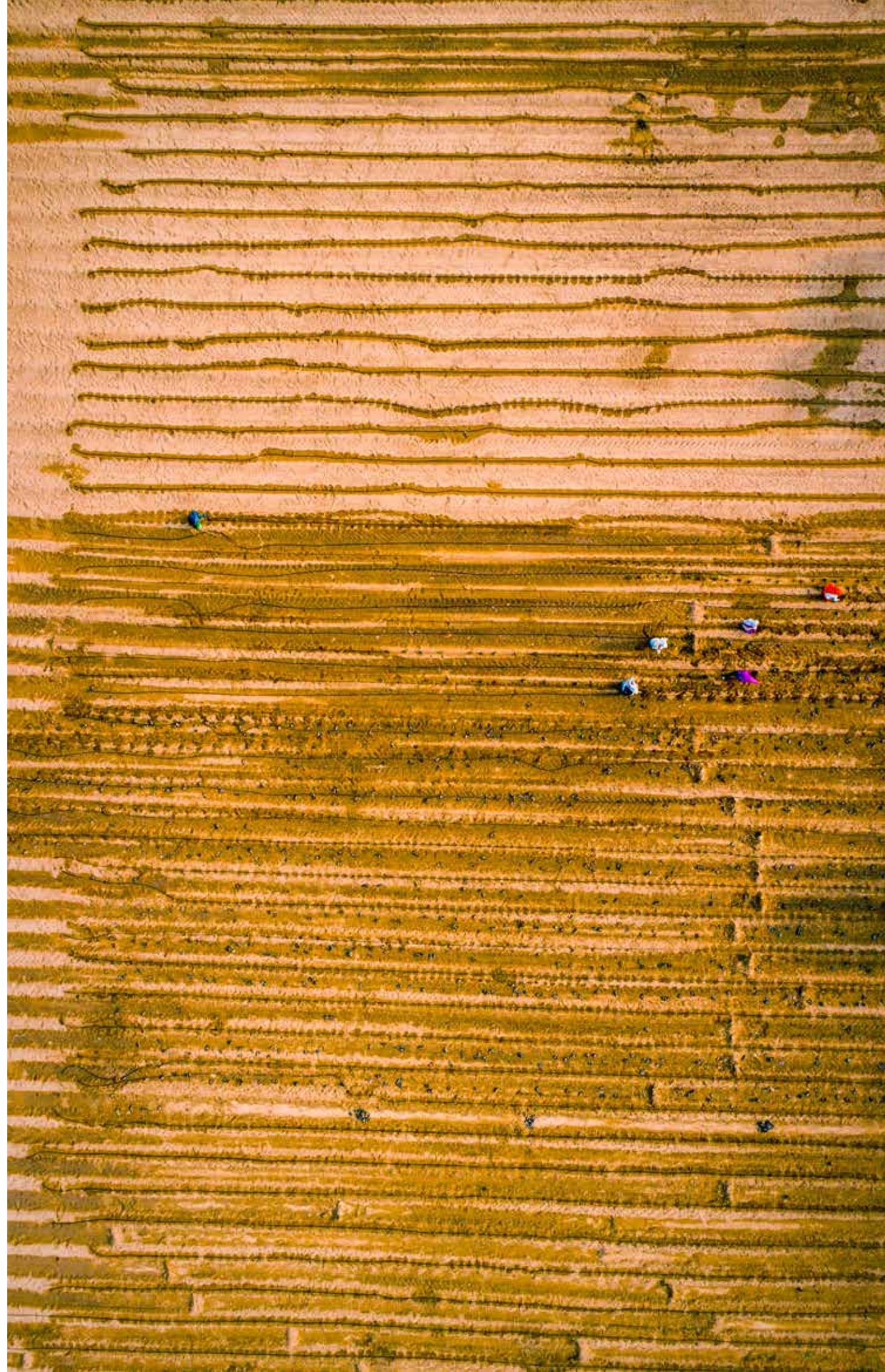
We confirm that we have not supplied any services other than audit services that are prohibited as referred to in Regulation (EU) No 537/2014 and that we remained independent vis-à-vis the Bank during the audit.

Ernst & Young
Limited liability company (société anonyme)
Registered independent auditing firm



Dorian Rigaud

Luxembourg, 01 April 2022



An aerial photograph of a city, likely Paris, showing a dense urban landscape with numerous buildings, streets, and green spaces. A large, stylized number '04' is overlaid on the right side of the image, with the cityscape visible through the digits. A thin vertical line is positioned to the right of the number.

04

*Annual financial statements
CA Indosuez Wealth (Europe)*



BALANCE SHEET AT 31 DECEMBER 2021

ASSETS

(expressed in EUR)	Notes	2021	2020
Cash, credit balances with central banks, and post office cheque accounts	3, 4	2,955,508,552	1,803,920,555
Accounts receivable from credit institutions	3, 12		
Demand debts		238,477,141	318,088,642
Other receivables		6,759,855,443	2,265,919,602
		6,998,332,584	2,584,008,244
Accounts receivable from customers	3, 12, 23.2	3,654,656,277	2,639,820,458
Bonds and other fixed-income securities	3, 5, 6		
From public issuers		15,236,250	139,802,068
		15,236,250	139,802,068
Equities and other fixed-income securities	3, 6	103,689	-
Equity interests	6, 8	41,065	45,209
Shares in affiliated companies	6, 7, 8	372,165,309	472,196,904
Intangible assets	9	11,804,861	3,487,456
Tangible assets	10	9,165,974	7,380,224
Other assets	11	77,843,670	17,142,905
Accruals		56,135,593	32,122,876
Total assets		14,150,993,824	7,699,926,899

The notes are an integral part of the annual accounts.

LIABILITIES

(expressed in EUR)	Notes	2021	2020
Accounts payable to credit institutions	3, 12		
Demand debts		93,266,121	160,036,732
Debts with agreed maturity dates or notice periods		6,131,574,127	466,382,708
		6,224,840,248	626,419,440
Accounts payable to customers	3, 12		
Other debts			
Demand debts		6,622,236,353	5,250,271,334
Debts with agreed maturity dates or notice periods		729,102,703	1,301,668,676
		7,351,339,056	6,551,940,010
Other equity and liabilities	14	32,205,137	22,456,053
Accruals		29,613,219	10,634,005
Provisions			
Other provisions	15	52,368,494	34,040,713
		52,368,494	34,040,713
Special items with a share in reserves	16	2,075,356	2,075,356
Subscribed capital	17, 19	415,000,000	415,000,000
Reserves	18, 19	38,308,584	45,956,584
Earnings carried forward	19	-947,262	5,788,733
Earnings for the year	19	6,190,992	(14,383,995)
Total liabilities		14,150,993,824	7,699,926,899

The notes are an integral part of the annual accounts.

OFF BALANCE SHEET ITEMS AT 31 DECEMBER 2021

(expressed in EUR)	Notes	2021	2020
Contingent liabilities	3, 20.1	96,811,511	141,001,008
Of which:			
Guarantees and assets pledged as collateral security		96,811,511	141,001,008
Commitments	3, 20.2	6,328,721,246	1,163,714,508
Fiduciary transactions		15,960,030	17,360,581

The notes are an integral part of the annual accounts.

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

EXPENSES

(expressed in EUR)	Notes	2021	2020
Interest and similar expenses		27,805,125	17,818,344
Fees paid		14,263,213	12,399,280
Administrative overhead expenses			
Personnel expenses of which:	23	68,232,779	63,180,778
- wages and salaries		57,824,334	53,724,695
- social security contributions		6,489,768	5,667,752
of which:			
- social security contributions for pensions		2,238,529	2,091,782
Other administrative expenses	24	55,333,515	51,142,364
		123,566,294	114,323,142
Value adjustments in respect of intangible and tangible assets	9,10	2,931,058	2,553,415
Other operating expenses	22.1	3,661,396	4,088,969
Value adjustments in respect of receivables and provisions for contingent liabilities and for commitments		2,302,476	933,331
Value adjustments in respect of securities considered long-term investments, equity interests and shares in affiliated companies	8	11,081,770	28,530,577
Taxes on earnings from ordinary activities	22.3	-	-
Other taxes not appearing in the above items	22.3	129,615	612,737
Earnings for the year		6,190,992	-
Total expenses		191,931,939	181,259,795

The notes are an integral part of the annual accounts.

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2021

INCOME

(expressed in EUR)	Notes	2021	2020
Interest and similar income		65,552,664	50,850,313
of which:			
Interest and similar income from fixed-income securities		31,896	1,808,263
Income from securities			
Income from equity interests		68,289	68,289
Income from shares in affiliated companies		964,550	857,458
		1,032,839	925,747
Commissions received	21	95,061,098	85,528,524
Earnings from financial transactions		15,391,739	15,539,201
Other operating income	22.2	14,893,599	14,032,015
Loss for the year		-	14,383,995
Total income		191,931,939	181,259,795

The notes are an integral part of the annual accounts.

NOTES

AT 31 DECEMBER 2021

Note 1 – General information

Crédit Agricole Luxembourg S.A. (hereinafter the “Bank” or “CAL”) was formed on 28 February 2003, following approval by the Extraordinary General Meeting of shareholders of Crédit Agricole Indosuez Luxembourg S.A. (hereinafter “CAIL”), of the CAIL split-off plan, approved on 10 January 2003 by the Board of Directors of CAIL.

CAIL had been created in the Grand Duchy of Luxembourg on 19 July 1989 in the form of a limited liability company under Luxembourg law.

The demerger of CAIL was carried out by the transfer of its entire asset base on 28 February 2003 with retroactive effect to 1 January 2003 to Crédit Agricole Indosuez Luxembourg S.A. and Crédit Agricole Investor Services Bank Luxembourg S.A.

Crédit Agricole Indosuez Luxembourg S.A. thus took over the traditional activities of services delivered to private customers, including account keeping, lending, custody of securities, portfolio management, investment advice, and related activities.

Following the decision of the Extraordinary General Meeting of shareholders of 1 July 2005, Crédit Agricole Indosuez Luxembourg S.A. proceeded with the takeover merger on 1 July 2005, with retroactive effect to 1 January 2005, of its subsidiary Crédit Lyonnais Luxembourg S.A. (hereinafter “CLL”). The Extraordinary General Meeting also decided on this same date to change the name of Crédit Agricole Indosuez Luxembourg to Crédit Agricole Luxembourg S.A.

As mentioned in the notarised merger declaration dated 26 April 2008, Crédit Agricole Luxembourg S.A. carried out the takeover merger on 26 April 2008, with accounting effect on 1 January 2008, of its subsidiary Crédit Agricole Luxembourg Bank S.A. (hereinafter “CALB”).

On 3 November 2011, the Bank became a subsidiary of Crédit Agricole Private Banking through a transfer of the 195,480 shares constituting the Bank’s share capital held by Crédit Agricole Corporate and Investment Bank, a bank under French law.

On 6 July 2012, the Bank created a branch in Spain under the name of Crédit Agricole Private Banking España (hereinafter “CAPBE”). In October 2012, this entity took over a private banking business of the Spanish branch of Crédit Agricole Corporate and Investment Banking (“CACIB”). The contribution to the total balance sheet was EUR 360 million,

2.5% of the Bank’s balance sheet at 31 December 2021. The impact on the Bank’s net earnings for 2021 was EUR (2,106,111).

On 12 April 2013, the Bank carried out a cross-border merger with its subsidiary Crédit Agricole Van Moer Courtens (“CAVMC”) and created the subsidiary Crédit Agricole Private Banking Belgium (hereinafter “CAPBB”). Its contribution to the total balance sheet was EUR 411 million, 2.9% of the Bank’s balance sheet at 31 December 2021. The impact on the Bank’s net earnings for 2021 was EUR 3,744,390.

On 9 December 2014, the Bank created a branch in Italy under the name of Crédit Agricole Private Banking Italia (hereinafter “CAPBI”). In October 2019, this branch carried out a transfer of assets to the Bank’s subsidiary, CA Indosuez Wealth (Italy) S.p.A. This branch was closed in 2020.

In 2015, the Bank carried out a takeover merger of its subsidiaries CAGP Belgium and Jumillia.

The Extraordinary General Meeting of shareholders of 15 January 2016 decided to change the company name from Crédit Agricole Luxembourg to CA Indosuez Wealth (Europe).

Following the decision of the Extraordinary General Meeting of shareholders of 19 December 2016, the Bank proceeded with the takeover merger as of 19 December 2016, without retroactive effect, of its subsidiary CA Indosuez Wealth (Global Structuring) S.A.

On 11 December 2020, the Bank carried out the takeover merger, without retroactive effect, of its subsidiary CA Indosuez (Insurance Brokerage) S.A.

On 6 December 2021, the Bank set up a branch in Italy under the name CA Indosuez Wealth (Europe), Italy Branch (hereinafter “CAIWI”). This branch resulted from the liquidation of the subsidiary of Banque CA Indosuez Wealth (Italy) S.p.A. through the incorporation of all the subsidiary’s assets and liabilities in the branch. The contribution to the total balance sheet was EUR 694 million, 4.9% of the Bank’s balance sheet at 31 December 2021. The impact on the Bank’s net earnings for 2021 was EUR (853,265).

The Bank’s registered office is at 39, allée Scheffer, L-2520 Luxembourg.

Consolidation in the CACIB group

The Bank is a subsidiary of Crédit Agricole Private Banking, a bank under French law. As such, the Bank’s annual accounts are included in the consolidated accounts prepared by Crédit Agricole CIB, themselves incorporated into the consolidated accounts of the Crédit Agricole S.A. group. The consolidated accounts can be obtained from the registered office of Crédit Agricole CIB, 12, place des Etats-Unis, CS 70052, 92547 Montrouge.

Note 2 – Main accounting methods

The significant accounting policies used by the Bank are as follows:

2.1. BASIS OF PRESENTATION

The consolidated annual accounts were prepared in accordance with generally accepted accounting principles in the banking sector in the Grand Duchy of Luxembourg. Apart from the rules laid down by law and by the Commission de Surveillance du Secteur Financier, the accounting policies and valuation principles were determined and introduced by the Board of Directors.

On the basis of the criteria established by Luxembourg law, the Bank is exempt from the obligation to draw up consolidated accounts and a consolidated management report for the financial year ended 31 December 2021. Accordingly, in compliance with the law of 17 June 1992 as amended, these accounts were drawn up on a non-consolidated basis.

2.2. FOREIGN CURRENCY CONVERSION

The annual accounts are expressed in euros (EUR). The Bank uses the multi-currency accounting method, which involves recording all transactions carried out in currencies other than that of the share capital in the currency or currencies of those transactions. Income and expenses are converted into the currency of the share capital at the exchange rate in force on the date of the transaction.

2.2.1. Spot transactions

Asset and liability items denominated in foreign currencies are converted into the currency of the share capital at the spot rate in force at the balance sheet closing date.

However, equity interests, shares in affiliated companies considered long-term investments, as well as tangible and intangible assets not hedged on the spot or futures market are converted into the currency of the share capital at the exchange rates in force at the date of their acquisition.

Spot foreign currency transactions not yet closed out are converted into the currency of the share capital at the spot rate in force at the balance sheet closing date.

2.2.2. Forward transactions

Forward foreign currency transactions not yet closed out are converted into the currency of the share capital at the forward rate for the remaining term at the balance sheet closing date.

Unrealised foreign exchange losses on non-hedged forward transactions not closed out are recorded in the profit and loss account on the basis of the forward rates for the corresponding terms. Unrealised foreign exchange gains on non-hedged forward transactions are not recognised.

For hedged forward exchange transactions, negative valuation results are offset against previously recognised positive valuation results. A provision is recognised to cover losses that are not offset.

2.2.3. Foreign exchange gains and losses

Foreign exchange gains and losses recorded in respect of forward-hedged spot items and spot-hedged forward items are offset in the accrual accounts. Differences between spot and forward exchange rates (contango, backwardation) are recognised in the profit and loss account on a prorata basis for swaps related to balance sheet items.

Foreign exchange gains and losses recorded in respect of non-forward-hedged spot items are recognised in the profit and loss account.

The main rates used at 31 December 2021 and 2020 are:

	31.12.2021	31.12.2020
EUR/USD	1.1334	1.2267
EUR/CHF	1.033	1.0807
EUR/GBP	0.8403	0.8984

2.3. RECEIVABLES

Receivables are recorded in the balance sheet at their acquisition price, and accrued interest not yet due is recorded in accrued income. The Bank’s policy is to recognise, according to the circumstances and for the amounts determined by the responsible bodies, specific value adjustments to hedge the risk of losses and non-recovery for held receivables considered bad debt. These value adjustments are deducted from the relevant asset items and are no longer maintained if the reasons for them have ceased to exist.

2.4. LIABILITIES

Debts are recorded in liabilities at their repayment amount.

2.5. VALUATION OF SECURITIES

For reasons relating to valuation, the Bank divided its securities into three portfolio categories:

2.5.1. Long-term investments portfolio

This comprises fixed-income securities that were purchased with the intention of holding them until they mature as well as equity interests and shares in affiliated companies considered long-term investments.

Fixed-income securities considered long-term investments are recorded at their acquisition price in their original currency. The acquisition price is obtained by adding incidental expenses to the purchase price. They are subject to value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date if the Board of Directors considers that the impairment will be permanent. Positive (premiums) and negative (discounts) differences between the acquisition price and the redemption value are recorded on a straight-line basis in the profit and loss account over the residual lifetime of the assets concerned.

At 31 December 2021 and 2020, the Bank held no fixed-income securities in this portfolio.

Equity interests and shares in affiliated companies considered fixed assets are recorded in the balance sheet at their acquisition price and in the currency of the issuing company's share capital. The acquisition price is obtained by adding incidental expenses to the purchase price. They are subject to value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date if the Board of Directors considers that the impairment will be permanent.

Affiliated companies refer to companies between which a dominant influence is directly or indirectly exerted. Equity interests include shares in the share capital of other companies intended to contribute to the company's activity through the creation of a permanent link.

2.5.2. Trading book

The trading book is made up of fixed- and variable-income securities acquired with the intention of reselling them in the short term. These are securities that can be traded on a market in which liquidity can be considered ensured and the market prices are constantly accessible to third parties.

The securities in the trading book appear in the balance sheet at their market value if they are listed fixed-income securities, or at the acquisition cost or market value, whichever is lower, if they are equities or other securities.

At 31 December 2021 and 2020, the Bank had no trading book.

2.5.3. Investment portfolio

The investment portfolio consists of securities acquired for investment or yield purposes or to create liquidity on the secondary market. It also includes securities not meeting the criteria of the two previous categories.

Securities in the investment portfolio appear in the balance sheet at their acquisition cost or market value, whichever is lower.

Premiums (positive differences between the acquisition price and the redemption value) are amortised on a straight-line basis.

2.5.4. Acquisition cost of securities of the same category

The valuation of securities of the same category is based on the weighted average cost method.

2.6. FIXED ASSETS OTHER THAN LONG-TERM INVESTMENTS

Fixed assets other than long-term investments are recorded at their historical acquisition cost. The acquisition cost is obtained by adding incidental expenses to the purchase price. The acquisition cost of fixed assets with a time limit on use is decreased by value adjustments calculated so as to systematically amortise the value of these items over their estimated duration of use.

In case of permanent impairment, fixed assets with or without a time limit on use are the subject of value adjustments in order to give them the lower value to be attributed to them at the balance sheet closing date. These value adjustments are reversed when the reasons that motivated them have ceased to exist.

2.6.1. Intangible assets

Intangible assets other than goodwill are amortised on a straight-line basis at the annual rate of 33%. Goodwill is amortised over a period of five years.

2.6.2. Tangible assets

Tangible assets, other than land, are amortised on a straight-line basis, based on durations of use estimated at the following rates:

Buildings	2.5% to 10%
Technical facilities and machines	10%
Other fixtures and fittings, tools and furniture	10% to 20%
IT equipment	20% to 33%

2.7. DERIVATIVES

2.7.1. Interest rate swaps

Financial futures concerning interest rates rate exchanges, mainly IRS (Interest Rate Swaps), traded on the OTC market and not allocated to specific assets or liabilities are valued at market price. Unrealised losses are recorded in the profit and loss account, whereas unrealised gains are disregarded.

Interest rate swaps traded on the OTC market and concluded for the hedging of the Bank's interest rate positions are not valued at market price.

2.7.2. Options

For options traded on the OTC market and not allocated to specific assets or liabilities, premiums paid or received are recorded in the balance sheet until the option is exercised or until maturity. Commitments in respect of issued options are recorded in off-balance sheet items. Options contracted for hedging purposes are not revalued.

Options not contracted for hedging purposes are valued at their market value. Provisions are recognised for unrealised losses on open positions as well as unrealised net losses on closed positions. Gains are recognised only at the exercise or maturity date.

Options traded on the organised market to hedge transactions in options in the opposite direction also concluded on an organised market and presenting identical characteristics are treated as follows: given that the position in these instruments is closed, the earnings generated from the premiums collected and paid is recorded in the profit and loss account.

2.8. FIXED PROVISION

In accordance with Luxembourg law, the Bank's policy is to recognise a fixed provision calculated on the basis of the risk-weighted assets constituting the denominator of the solvency ratio. By agreement, the fixed provision calculated is deducted from the entry "Receivables with credit institutions - Other receivables". At 31 December 2021, this totalled EUR 11,510,793 (2020: EUR 11,510,793).

Note 3 – Use of financial instruments

3.1. ANALYSIS OF FINANCIAL INSTRUMENTS

3.1.1. Information on primary financial instruments

The tables below provide information about the level of the Bank's primary financial instrument activity, broken down as follows: by book value, by category of financial instruments and depending on the residual lifetime, after deducting the fixed provision.

At 31 December 2021 and 2020, the Bank did not hold primary financial instruments belonging to the trading book.

The bank participated in the long-term refinancing programme made available by the European Central Bank, known as "TLTRO III", on behalf of a group made up of 9 CACIB Group entities. This transaction had several significant impacts on the 2021 annual accounts: on liabilities, an increase in debts to credit institutions (+€4.99 billion in respect of the TLTRO drawdown with the Central Bank of Luxembourg), on the assets side, an increase in receivables from credit institutions (+€5.01 billion for the cash deposit of reverse repos with CACIB), and off-balance sheet commitments (+€5.41 billion in securities borrowed from CACIB to deposit collateral with the BCL).

3.1.1.1. FINANCIAL ASSETS AT 31 DECEMBER 2021 - PRIMARY FINANCIAL INSTRUMENTS (BOOK VALUE)

	PRIMARY INSTRUMENTS					
(book value – in EUR)	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years EUR	No maturity date	Total
Instrument categories						
Cash, credit balances with central banks, and postal cheque offices	2,955,508,552	-	-	-	-	2,955,508,552
Accounts receivable from credit institutions *	1,465,009,134	149,435,507	5,383,887,943	-	-	6,998,332,584
Accounts receivable from clients	1,349,371,556	1,385,656,213	542,008,998	377,619,510	-	3,654,656,277
Equities and other variable-income securities **	-	-	-	-	103,689	103,689
Bonds and other fixed-income securities						
From public issuers	15,236,250	-	-	-	-	15,236,250
Total financial assets	5,785,125,492	1,535,091,720	5,925,896,941	377,619,510	103,689	13,623,837,352

* after deducting the fixed provision

** this equity portfolio is the result of turning CA Indosuez Wealth (Europe) Italy into a branch and is part of the investment portfolio

3.1.1.2. FINANCIAL LIABILITIES AT 31 DECEMBER 2021 - PRIMARY FINANCIAL INSTRUMENTS (BOOK VALUE)

	PRIMARY INSTRUMENTS					
(book value - in EUR)	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years EUR	No maturity date	Total
Instrument categories						
Accounts payable to credit institutions						
Demand debts	93,266,121	-	-	-	-	93,266,121
Debts with agreed maturity dates or notice periods	1,115,060,555	25,313,572	4,991,200,000	-	-	6,131,574,127
Accounts payable to clients						
Other debts						
Demand debts	6,622,236,353	-	-	-	-	6,622,236,353
Debts with agreed maturity dates or notice periods	625,378,759	88,723,944	15,000,000	-	-	729,102,703
Commitments and contingent liabilities	92,114,989	75,842,590	201,060,931	6,056,514,247	-	6,425,532,757
Total financial liabilities	8,548,056,777	189,880,106	5,207,260,931	6,056,514,247	-	20,001,712,061

The notes are an integral part of the annual accounts.

3.1.1.3. FINANCIAL ASSETS AT 31 DECEMBER 2021 - PRIMARY FINANCIAL INSTRUMENTS (BOOK VALUE)

(book value - in EUR)	PRIMARY INSTRUMENTS					Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years EUR	No maturity date	
Instrument categories						
Cash, credit balances with central banks, and postal cheque offices	1,803,920,555	-	-	-	-	1,803,920,555
Accounts receivable from credit institutions*	1,620,613,439	385,307,999	490,294,806	87,792,000	-	2,584,008,244
Accounts receivable from clients	1,105,852,491	964,783,310	268,336,659	300,847,998	-	2,639,820,458
Bonds and other fixed-income securities						
From public issuers	79,891,418	44,674,400	15,236,250	-	-	139,802,068
Total financial assets	4,610,277,903	1,394,765,709	773,867,715	388,639,998	-	7,167,551,325

* after deducting the fixed provision.

3.1.1.4. FINANCIAL LIABILITIES AT 31 DECEMBER 2021 - PRIMARY FINANCIAL INSTRUMENTS (BOOK VALUE)

(book value – in EUR)	PRIMARY INSTRUMENTS					Total
	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years EUR	No maturity date	
Instrument categories						
Accounts payable to credit institutions						
Demand debts	160,036,732	-	-	-	-	160,036,732
Debts with agreed maturity dates or notice periods	420,113,092	46,222,990	46,626	-	-	466,382,708
Accounts payable to clients						
Other debts						
Demand debts	5,250,271,334	-	-	-	-	5,250,271,334
Debts with agreed maturity dates or notice periods	1,200,256,363	81,062,313	20,350,000	-	-	1,301,668,676
Commitments and contingent liabilities	467,987,454	116,901,161	148,140,748	571,686,153	-	1,304,715,516
Total financial liabilities	7,498,664,975	244,186,464	168,537,374	571,686,153	-	8,483,074,966

The notes are an integral part of the annual accounts.

3.1.2. Information on derivatives

3.1.2.1. Description of derivatives used

At 31 December 2021, the Bank was engaged in transactions in the following instruments: currency forwards, interest rate swaps and exchange rate and interest rate options for the following purposes: hedging for management of assets/liabilities, working capital, and micro-hedging of customer transactions.

In accordance with its market risk management policy, the Bank hedges its transactions in derivatives with CACIB within the “VAR – Value at Risk” limits fixed by the shareholder.

3.1.2.2. Analysis of derivatives used at 31 December 2021

The table below provides information on the level of use of derivatives outside the trading book, broken down on the basis of the notional value and the residual lifetime since the closing date. At 31 December 2021 and 2020, the Bank did not use derivatives for trading purposes.

Derivatives outside the trading book(notional value) at 31 December 2021:

	CATEGORIES OF OFF-EXCHANGE FINANCIAL INSTRUMENTS				
(book value – in EUR)	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
Interest rate instruments					
Swaps	478,966,250	748,302,806	1,283,428,732	866,661,642	3,377,359,430
Foreign currency/gold instruments					
Futures contracts (currencies to be received)	420,807,011	242,857,486	17,062,530	-	680,727,027*
Options(sold)	300,760,221	682,988,333	46,119,065	-	1,029,867,619
Total	1,200,533,482	1,674,148,625	1,346,610,327	866,661,642	5,087,954,076

* Note that the total includes deferred spot exchanges for EUR 7,845,990.

The tables below provide information on the fair value of financial instruments (excluding options):

(book value – in EUR)	FINANCIAL ASSETS	
	Notional amount	Positive fair value*
Categories of financial instruments		
Interest rate instruments		
Swaps	1,583,930,148	23,474,344
Foreign currency/gold instruments		
Futures contracts (currencies to be delivered)	355,500,044	1,089,037
Total	1,939,430,192	24,563,381

* Excluding accrued interest not due.

(book value – in EUR)	FINANCIAL LIABILITIES	
	Notional amount	Negative fair value*
Categories of financial instruments		
Interest rate instruments		
Swaps	1,793,429,283	18,166,863
Foreign currency/gold instruments		
Futures contracts (currencies to be delivered)	325,226,983	1,022,610
Total	2,118,656,266	19,189,473

* Excluding accrued interest not due.

The Bank uses interest rate swaps (IRS) for macro-hedging as part of ALM (Asset Liability Management) and for micro-hedging for a limited number of transactions on behalf of customers.

Transactions involving options on currencies are exclusively carried out on behalf of clients and are therefore not revalued.

3.1.2.3. ANALYSIS OF DERIVATIVES USED AT 31 DECEMBER 2020

Derivatives outside the trading book(notional value) at 31 December 2020:

	CATEGORIES OF OFF-EXCHANGE FINANCIAL INSTRUMENTS				
(book value – in EUR)	Up to 3 months	3 months to 1 year	1 year to 5 years	More than 5 years EUR	Total
Interest rate instruments					
Swaps	331,843,720	1,324,899,876	785,394,980	785,034,533	3,227,173,109
Foreign currency/gold instruments					
Futures contracts (currencies to be received)	1,345,166,233	222,397,412	17,523,291	–	1,585,086,936*
Options (sold)	531,987,690	253,586,550	526,695,832	–	1,312,270,072
Total	2,208,997,643	1,800,883,838	1,329,614,103	785,034,533	6,124,530,117

* Note that the total includes deferred spot exchanges for EUR 208,353.

The tables below provide information on the fair value of financial instruments (excluding options):

(book value – in EUR)	FINANCIAL ASSETS	
	Notional amount	Positive fair value*
Categories of financial instruments		
Interest rate instruments		
Swaps	2,875,836,256	49,610,649
Foreign currency/gold instruments		
Futures contracts (currencies to be delivered)	551,268,474	3,771,655
Total	3,427,104,730	53,382,304

* Excluding accrued interest not due.

(book value – in EUR)	FINANCIAL LIABILITIES	
	Notional amount	Negative fair value*
Categories of financial instruments		
Interest rate instruments		
Swaps	351,336,853	12,323,240
Foreign currency/gold instruments		
Futures contracts (currencies to be delivered)	1,033,818,462	3,646,953
Total	1,385,155,315	15,970,193

* Excluding accrued interest not due.

The Bank uses interest rate swaps for macro-hedging as part of ALM and for micro-hedging for a limited number of transactions on behalf of customers.

Options on currencies and interest are exclusively carried out on behalf of clients and are therefore not revalued.

The notes are an integral part of the annual accounts.

3.2. CREDIT RISK

3.2.1. Description of credit risk

Credit risk is the risk that a third party will not meet its commitments according to the terms that had been set. Accordingly, the risk pertains not only to loans and securities but also guarantees, commitments, interbank deposits, forward exchange contracts, swaps, futures, options, etc.

The Bank's credit risk policy is as follows:

- Establishing and monitoring counterparty limits
- Investment in high-quality securities when making portfolio investments
- Prudent management of granted credit facilities. Prior to the development of a credit facility proposal, the following analyses are performed:
 - Analysis of the applicant's situation
 - Analysis of the coverage of the new commitment by a guarantee in favour of the Bank
 - Valuation of the amount of outstandings already existing with the Bank as well as the client's likely cash position
- The need for the Credit Committee's prior approval for any loan commitment
- The establishment of a Provisions Committee intended to monitor potentially defaulting clients and overdrawn accounts.

The notes are an integral part of the annual accounts.



3.2.2. Measurement of credit risk exposure

The Bank calculates the credit risk relating to derivatives in accordance with the provisions of the circulars issued by the supervisory authority. The table below indicates the Bank's degree of credit risk exposure according to the notional amounts, the equivalent risk amount, and the net risk exposure taking into account any collateral.

Credit risk relating to off-market derivatives at 31 December 2021:

(book value – in EUR)	Notional amounts	Amounts exposed to risk	Guarantees	Net risk exposure
Degree of solvency of counterparties (on the basis of external or internal ratings)	(1)	(2)	(3)	(4) = (2) – (3)
Interest rate contracts	3,377,359,431	62,088,601	-	62,088,601
Foreign exchange contracts	680,727,027	8,290,006	6,885,396	1,404,610
Total	4,058,086,458	70,378,607	6,885,396	63,493,211

Credit risk relating to off-market derivatives at 31 December 2020:

(book value – in EUR)	Notional amounts	Amounts exposed to risk	Guarantees	Net risk exposure
Degree of solvency of counterparties (on the basis of external or internal ratings)	(1)	(2)	(3)	(4) = (2) – (3)
Interest rate contracts	3,227,173,109	54,884,187	-	54,884,187
Foreign exchange contracts	1,585,086,936	15,936,535	11,793,657	4,142,878
Total	4,812,260,045	70,820,722	11,793,657	59,027,065

3.2.3. Concentration of credit risk

The tables below indicate the concentration of credit risk by geographical area and by economic sector.

Geographical concentration

At 31 December 2021:

(book value – in EUR)	GEOGRAPHICAL REGION (BY COUNTRY OR BY REGION)		
	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
EU	12,286,634,521	6,294,843,071	4,212,053,580
Switzerland	511,434,017	18,176,514	83,251,234
Outside EU and Switzerland	825,665,124	99,018,821	792,649,262
Total	13,623,733,662	6,412,038,406	5,087,954,076

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 13,494,331.

At 31 December 2020:

(book value – in EUR)	GEOGRAPHICAL REGION (BY COUNTRY OR BY REGION)		
	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
EU	5,644,264,244	1,105,701,917	5,070,659,352
Switzerland	675,414,945	19,249,655	123,301,766
Outside EU and Switzerland	847,872,136	94,837,205	930,568,999
Total	7,167,551,325	1,219,788,777	6,124,530,117

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total includes deferred spot exchange transactions of EUR 84,926,739.

Concentration by economic sector

At 31 December 2021:

(book value – in EUR)	ECONOMIC SECTOR		
	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
Credit Institutions	9,969,077,386	105,429,128	4,213,043,824
Other financial instruments	64,232,283	47,942,080	42,967,740
Financial holdings	977,578,533	223,160,894	168,113,322
UCITS	329,497,822	111,989,746	265,613,086
Other	2,283,347,638	5,923,516,558	398,216,104
Total	13,623,733,662	6,412,038,406	5,087,954,076

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 13,494,331.

At 31 December 2020:

(book value – in EUR)	ECONOMIC SECTOR		
	Credit facilities and other balance sheet items*	Commitments and contingent liabilities**	Off-market derivatives
Credit Institutions	4,527,730,874	317,807,339	4,459,564,325
Other financial instruments	92,076,191	31,887,321	100,779,785
Financial holdings	780,347,942	304,630,963	137,829,133
UCITS	266,732,708	146,551,600	705,194,363
Other	1,500,663,610	418,911,554	721,162,511
Total	7,167,551,325	1,219,788,777	6,124,530,117

* Note that the total includes the Bank's assets and receivables as well as bonds.
** Note that the total does not include forward asset sales of EUR 84,926,739.

Note 4 – Cash, credit balances with central banks, and post office cheque accounts

In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg has put in place, since 1 January 1999, a system of mandatory reserves required of all Luxembourg credit institutions.

At 31 December 2021, the amount of assets with central banks, including the mandatory reserve, was EUR 2,954,973,103 (2020: EUR 1,803,478,245).

Note 5 – Bonds and other fixed-income securities

Bonds and other fixed-income securities break down as follows:

(book value – in EUR)	2021	2020
Securities in the investment portfolio	15,236,250	139,802,068
Total	15,236,250	139,802,068

At 31 December 2021, “Bonds and other fixed-income securities” consisted solely of securities of public issuers purchased in connection with the establishment of an HQLA (High Quality Liquid Assets) portfolio in order to move towards compliance with the LCR (Liquidity Coverage Ratio) requirement.

The amount of securities maturing in 2022 was EUR 15,236,250 (amount of securities maturing in 2021: EUR 124,565,818).

Note 6 – Data regarding securities, equity interests and shares in listed and unlisted affiliated companies

At 31 December 2021 and 2020, the securities of the HQLA portfolio and equities and other variable-income securities were listed. Shareholdings and shares in affiliated companies were not listed.

Note 7 – Shares in affiliated companies

At 31 December 2021, the list of companies in which the Bank holds at least 20% of the share capital was as follows:

(book value – in EUR)	SHARES IN AFFILIATED COMPANIES				
	Head office	Net book value	Share of capital held	Equity in foreign currencies ³	Earnings in foreign currencies
Immobilière Comète S.à.r.l. ^b	Luxembourg	1,490,497	100,00%	2,110,439 ¹	198,178
The Investors House S.A. ^b	Luxembourg	746	100,00%	1,430,759 ¹	136,967
Immobilière Sirius S.A. ^b	Luxembourg	13,174,593	100,00%	5,451,993 ¹	537,521
CAHub@Luxembourg S.A.	Luxembourg	-	20,00%	(759,353) ⁴	(319,719)
Financière Lumis	France	351,521,129	100,00%	409,154,853 ¹	(2,204,567)
S.G.A. Services S.A.	Luxembourg	22,076	100,00%	50,635 ¹	7,966
BPH Finance S.A.	Luxembourg	206,772	100,00%	207,821 ¹	1,048
Apeiron Advisors S.A.R.L. ^a	Luxembourg	12,500	100,00%	(10,156) ²	(3,819)
Apeiron Investment S.A.R.L.	Luxembourg	28,882	96,00%	30,086 ⁴	-
FMS Services S.A.	Luxembourg	27,267	100,00%	36,309 ¹	9,043
CA Fiduciaria	Italy	1,221,123	93,49%	2,010,493 ¹	(287,819)

¹ On the basis of the unaudited position at 31 December 2021.
² On the basis of the unaudited position at 31 December 2020.
³ Including earnings for the financial year.
⁴ On the basis of the audited position at 31 December 2020.
^a In the opinion of the Bank's Board of Directors, any impairments of these shares in affiliated companies at 31 December 2021 are not permanent. Accordingly, no value adjustments were recorded in respect of these shares in affiliated companies at 31 December 2021.
^b No value adjustments were recognised in respect of these entities given that the properties held by Immobilière Sirius S.A., The Investors House S.A and Immobilière Comète S.à.r.l are maintained at acquisition costs, in accordance with the Luxembourg accounting principles, which are significantly lower than the estimated market values.

Note 8 – Financial fixed assets

The movements in long-term investments during the financial year can be summarised as follows:

(book value – in EUR)	Equity interests	Shares in affiliated companies	Total long-term investments
Gross value at 01 January 2021	45,209	549,235,328	549,280,537
Incoming/conversion	-	527,220	527,220
Outgoing/conversion *	-	(100,486,202)	(100,486,202)
Gross value at 31 December 2021	45,209	449,276,346	449,321,555
Accumulated value adjustments at 31 December 2021	(4,144)	(77,111,037)	(77,115,181)
Net value at 31 December 2021	41,065	372,165,309	372,206,374

* Withdrawal of the stake in the subsidiary CA Indosuez Wealth (Italy) S.p.A after it was turned into a branch, CA Indosuez Wealth (Europe), Italy Branch (see note i).

Note 9 – Intangible assets

The movements in other intangible assets can be summarised as follows:

(book value – in EUR)	Software 2021	Software 2020
Gross value at 1 January	9,324,410	7,295,396
Incoming	9,250,637	2,029,014
Outgoing	-	-
Gross value at 31 December	18,575,047	9,324,410
Cumulative value adjustments at 31 December	(6,770,186)	(5,836,954)
Net value at 31 December	11,804,861	3,487,456

At 31 December 2021 and 2020, the net value of goodwill had a zero balance.

Note 10 – Tangible assets

The movements in tangible assets can be summarised as follows:

(book value – in EUR)	Land and buildings	Technical facilities and machines	Other fixtures and fittings, tools and furniture	Total tangible assets 2021	Total tangible assets 2020
Gross value at 1 January	18,165,702	23,061,249	7,393,666	48,620,617	47,056,307
Incoming	4,239,688	5,026,546	554,705	9,820,939	1,828,941
Outgoing	-	-	-	-	(264,631)
Gross value at 31 December	22,405,390	28,087,795	7,948,371	58,441,556	48,620,617
Value adjustments at 31 December	(17,288,148)	(25,623,641)	(6,363,793)	(49,275,582)	(41,240,393)
Net value at 31 December	5,117,242	2,464,154	1,584,578	9,165,974	7,380,224

The net value of land and buildings used as part of own activities was EUR 2,073,502 (2020: EUR 2,073,502).

Note 11 – Other assets

This item primarily consists of the following:

(book value – in EUR)	2021	2020
Amounts due from the tax authorities and VAT	30,620,675	9,927,132
Pension plan investments	424,638	445,821
Escrow accounts *	3,563,251	4,764,015
CAIWI tax receivable **	42,394,804	-
Other assets	840,302	2,005,937
	77,843,670	17,142,905

* in line with the mechanisms provided for in the “Sale and Purchase Agreement” signed by the Bank and Banca Leonardo’s former shareholders, a EUR 2.8 million receivable was recognised in the Bank’s books at 31 December 2021 equal to the share of the Escrow Accounts that the Bank believes that it will be able to recover.

** This is a tax credit resulting from the Italian subsidiary, CAIW Italy SPA, being turned into a branch and which relates to a 2011 Italian tax regime (“affrascimento”). It is subject to a tax ruling by the Italian tax authorities. The tax credit is attributable to various tax and withholding tax items according to a predetermined schedule.

Note 12 – Accounts receivable from and payable to affiliated companies

Assets	2021 EUR	2020 EUR
Accounts receivable from credit institutions*	6,752,240,269	2,446,724,903
Accounts receivable from clients	13,506,223	4,733,760
	6,765,746,492	2,451,458,663
* Before allocation of the fixed provision.		

The CSSF notified the Bank that it would no longer take into account, for the purposes of calculating limits on major risks, the risks taken by the Bank with regard to the entities of the group to which it belongs as provided for by the regulations in force.

Liabilities	2021 EUR	2020 EUR
Accounts payable to credit institutions	1,203,479,482	614,969,898
Accounts payable to clients	473,266,498	361,786,048
	1,676,745,980	976,755,946

Note 13 – Assets and liabilities denominated in foreign currencies

At 31 December 2021, the equivalent in euros of assets and liabilities in foreign currencies respectively amounted to EUR 1,601,204,577 (2020: EUR 1,949,998,062) and EUR 1,604,209,324 (2020: EUR 1,952,708,292).

Note 14 – Other liabilities

This item primarily consists of the following:

(book value – in EUR)	2021	2020
Pension fund for personnel	5,711,760	6,030,563
Miscellaneous creditors	10,246,802	8,177,415
Preferential creditors	15,947,940	8,030,856
Short-term debts	298,635	217,219
	32,205,137	22,456,053

Note 15 – Other provisions

This item primarily consists of the following:

(book value – in EUR)	Notes	2021	2020
FGDL/FRL/FRU/AGDL provision	15.1	5,865,517	9,834,684
Provision for personnel expenses		19,872,581	12,608,747
Provisions for overhead expenses		21,164,649	9,800,671
Provisions for specific risks		5,465,747	1,796,611
		52,368,494	34,040,713

15.1 DEPOSIT GUARANTEE AND RESOLUTION FUND

The law on resolution, recovery and liquidation measures for credit institutions and some investment firms, on deposit guarantee schemes and indemnification of investors (the “Law”), transposing into Luxembourg law Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and Directive 2014/49/EU on deposit guarantee and investor indemnification schemes was passed on 18 December 2015.

The deposit guarantee and investor indemnification scheme in force up until then, implemented by the Association for the Guarantee of Deposits, Luxembourg (AGDL), has been replaced by a new contributory deposit guarantee and investor indemnification scheme. The new system will guarantee all eligible deposits of a depositor up to EUR 100,000, investments up to EUR 20,000. The Law further provides that deposits resulting from specific transactions, fulfilling a social objective, relating to special life events, are protected beyond EUR 100,000 for a period of 12 months.

The provisions recognised in the annual accounts over the years in order to be able to meet, where applicable, the obligations of banks with regard to the AGDL, are used as they are contributed to the Luxembourg Single Resolution Fund (FRU), or on the establishment of the new Luxembourg Deposit Guarantee Fund (FGDL).

By the beginning of 2024, the amount of financial resources of the FRU should reach at least 1% of the guaranteed deposits, as defined in Article 1 paragraph 36 of the Law, of all authorised credit institutions in all participating Member States. This amount will be collected from credit institutions through annual contributions during financial years 2016 to 2023.

The target level of financial resources for the FGDL is set at 0.8% of the guaranteed deposits of member institutions, as defined in Article 153 paragraph 8 of the Law, and should be reached by the end of 2018. The contributions will be payable annually between 2016 and 2018. Since the 2019 financial year, an amount constituting an additional reserve is requested by the FGDL in anticipation of these contributions, against the use of the existing AGDL provision.

When the level of 0.8% is reached, Luxembourg credit institutions will continue to contribute for eight additional years so as to provide an additional safety buffer of 0.8% of guaranteed deposits as defined in Article 153 paragraph 8 of the law.

At 31 December 2021, the FGDL/FRU provision totalled EUR 5,865,517 (2020: EUR 9,834,684). The amount paid in 2021 for the FRU and the FGDL totalled EUR 3,547,810 (2020: EUR 3,270,382) and EUR 421,357 (2020: EUR 295,887).

Note 16 – Special items with a share of reserves

This item consists of reinvestment gains realised following the sale of two investments in 2000 and 2001 and the sale of an apartment in July 2009. At 31 December 2021, this totalled EUR 2,075,356 (2020: EUR 2,075,356) following the application of articles 53 and 54 of the income tax law.

Note 17 – Share capital

At 31 December 2021, the Bank’s subscribed capital totalled EUR 415,000,000 (2020: EUR 415,000,000) and was represented by 195,480 (2020: 195,480) fully paid-up shares with no par value.

At 31 December 2007, the Bank’s subscribed capital amounted to EUR 84,200,000.

During the Extraordinary General Meeting of 31 January 2008, it was decided to increase the Bank’s share capital by EUR 458.8 million, bringing the sum to EUR 543 million through the issue of 165,168 new shares with no par value. CACIB S.A. subscribed for 165,168 fully paid-up new shares.

The Extraordinary General Meeting of 21 November 2008 carried out a share capital decrease of EUR 78 million, bringing it to EUR 465 million through the reduction of the book value of the shares. The purpose of this transaction was to permit the amortisation all at once of the goodwill generated following the merger with CALB of EUR 105.7 million.

The CSSF authorised the Bank to amortise the CALB goodwill all at once through a capital reduction of EUR 78 million, the elimination of the issue premium of EUR 27.2 million, and the decrease in other reserves for EUR 0.5 million.

On 3 November 2011, the Bank became a subsidiary of Crédit Agricole Private Banking through a transfer of the 195,480 shares constituting the Bank’s share capital held by Crédit Agricole Corporate and Investment Bank, a bank under French law.

During the Extraordinary General Meeting of 29 July 2014, it was decided to decrease the Bank’s share capital by EUR 50 million to EUR 415 million by reducing the book value of the 195,480 shares and repaying the sole shareholder.

At 31 December 2007, the Bank’s authorised capital totalled EUR 123,000,000. During the General Meeting of 21 November 2008, the Bank decided to eliminate the authorised capital.

Note 18 – Reserves

They include mainly:

18.1 STATUTORY RESERVE

In accordance with Luxembourg law, the Bank must allocate to the statutory reserve each year an amount equivalent to at least 5% of the net profits for the financial year until this reserve reaches 10% of the subscribed capital. Distribution of this statutory reserve is not permitted. At 31 December 2021, this amounted to EUR 30,987,784 (2020: EUR 30,987,784).

18.2 WEALTH TAX RESERVE

In order to comply with the tax laws in force, the Bank decided to allocate an amount corresponding to five times the amount of the reduced wealth tax (“IF”) to the special reserve. The period of this reserve’s unavailability is five years. At 31 December 2021, this amounted to EUR 7,320,800 (2020: EUR 14,968,800).

The change in the wealth tax reserve is explained as follows:

	EUR
Special reserve for the wealth tax at 01 January 2021	14,968,800
Releasing of the 2015 wealth tax reserve	(7,648,000)
	7,320,800

Note 19 – Shareholders’ equity

The change in the Bank’s shareholders’ equity breaks down as follows:

	POSITION AT 01 JANUARY 2021			
(book value – in EUR)	Subscribed capital	Reserves	Earnings carried forward	Earnings for the financial year
Position at 01 January 2021	415,000,000	45,956,584	5,788,733	(14,383,995)
Allocation of earnings for the 2020 financial year *	-	-	(14,383,995)	14,383,995
Change in the special reserve	-	(7,648,000)	7,648,000	-
Earnings for the financial year ended 31 December 2021	-	-	-	(6,190,992)
Position at 31 December 2021	415,000,000	38,308,584	(947,262)	6,190,992

* According to the decision of the Ordinary General Meeting of 29 April 2021.

Note 20 – Contingent liabilities and commitments

20.1 CONTINGENT LIABILITIES

At 31 December 2021 and 2020, the Bank was engaged in the following off-balance sheet transactions:

(book value – in EUR)	2021	2020
Guarantees and other direct credit substitutes		
– to affiliated companies	20,000	4,626,080
– to other third parties	96,791,511	136,374,928
	96,811,511	141,001,008

20.2 COMMITMENTS

At 31 December 2021 and 2020, the Bank was engaged in the following types of transactions:

(book value – in EUR)	Notes	2021	2020
Forward asset purchases			
– To other third parties		16,359,210	10,990,239
Forward asset sales			
– To other third parties		13,494,351	84,926,739
Credit facilities and other confirmed credit lines not used			
– To affiliated companies		23,605,645	141,546,460
– To other third parties		843,558,841	884,703,319
Other commitments			
– With respect to affiliated companies	3	5,431,696,865	41,541,274
– To other third parties *		6,334	6,477
		6,328,721,246	1,163,714,508

* At 31 December 2021, accounts receivable from affiliated companies were pledged to third parties for EUR 6,334 to guarantee the Bank's bonds as regards these third parties, and this receivable was initially in the accounts of CA Indosuez Wealth (Global Structuring), an entity absorbed by the Bank in 2016 (2020: EUR 6,477).

Note 21 – Management and representation services

The Bank provides management and representation services in the following areas:

- Wealth Management and management advice
- Custody and administration of securities
- Hire of safe-deposit boxes
- Fiduciary representation.

Note 22 – Profit and loss account

22.1 OTHER OPERATING EXPENSES

This item primarily consists of the following:

(book value – in EUR)	2021	2020
Expenses for the provision of services	1,162,056	1,298,360
Allowances for other provisions	1,932,006	1,716,586
Other expenses	567,334	1,074,023
	3,661,396	4,088,969

At 31 December 2021, “Allowances for other provisions” also include the establishment of provisions for specific risks for EUR 1,932,006 (2020: EUR 1,716,586).

At 31 December 2021, “Other expenses” mainly consist of the cost related to operational errors for EUR 550,224 (2020: EUR 1,067,494).

22.2 OTHER OPERATING INCOME

This item primarily consists of the following:

(book value – in EUR)	Notes	2021	2020
Liquidation surplus from shares in affiliated companies		-	112,238
Income from the provision of services		10,275,644	10,793,222
Recovery of tax from foreign branches		289,992	-
Writebacks of provisions		2,764,955	2,859,097
Escrow accounts	11	1,453,539	147,366
Other income		109,469	120,092
		14,893,599	14,032,015

22.3 CORPORATE INCOME TAX

The Bank is subject to the local authority tax (“IRC”) and the municipal commercial tax (“ICC”) as well as the wealth tax (“IF”). Since 1 January 2003 and until the date of the takeover merger, the Bank was taxed as part of a tax consolidation group consisting of itself and its subsidiary CA Indosuez Wealth (Global Structuring).

The Bank was definitively taxed for IRC and ICC up to 2018.

Note 23 – Data relating to staff and management

23.1 STAFF EMPLOYED DURING THE FINANCIAL YEAR

The number of staff members employed on average during the 2020 and 2021 financial years was:

Categories	2021	2020
Management	24	24
Supervisory staff	139	97
Employees	462	365
Total	625	486

The number of employed individuals includes the staff of the Bank and its branches.

23.2 REMUNERATION, PENSION COMMITMENTS, AND LOANS AND ADVANCES GRANTED TO MEMBERS OF THE MANAGEMENT BODIES

They can be summarised as follows at 31 December 2021:

(book value – in EUR)	Remuneration	Pension commitments	Loans and advances
Management bodies	7,613,098	389,985	502,900

They can be summarised as follows at 31 December 2020:

(book value – in EUR)	Remuneration	Pension commitments	Loans and advances
Management bodies	7,305,958	379,845	2,900

23.3 PENSIONS

The Bank has a commitment to its employees through a supplementary pension system. Part of this commitment is covered by reinsurance.

The amount of the pension fund appears in other liabilities. The amount of the reinsurance reserve appears in other assets.

The cost of pensions relating to members of the management bodies for the 2021 financial year was EUR 389,985 (2020: EUR 379,845).

Note 24 – Registered independent auditor’s fees

The fees relating to the services of the registered independent auditor of the annual accounts, Ernst & Young S.A., were as follows (excluding VAT):

(book value – in EUR)	2021	2020
Statutory audit of annual accounts	172,303	168,100
Other insurance services	74,686	55,401
Tax advisory services	-	-
Other services	-	-
	246,989	223,501

At 31 December 2021 and 2020, Ernst & Young S.A. had not provided services other than auditing for the Bank’s subsidiaries.

Note 25 – Subsequent events

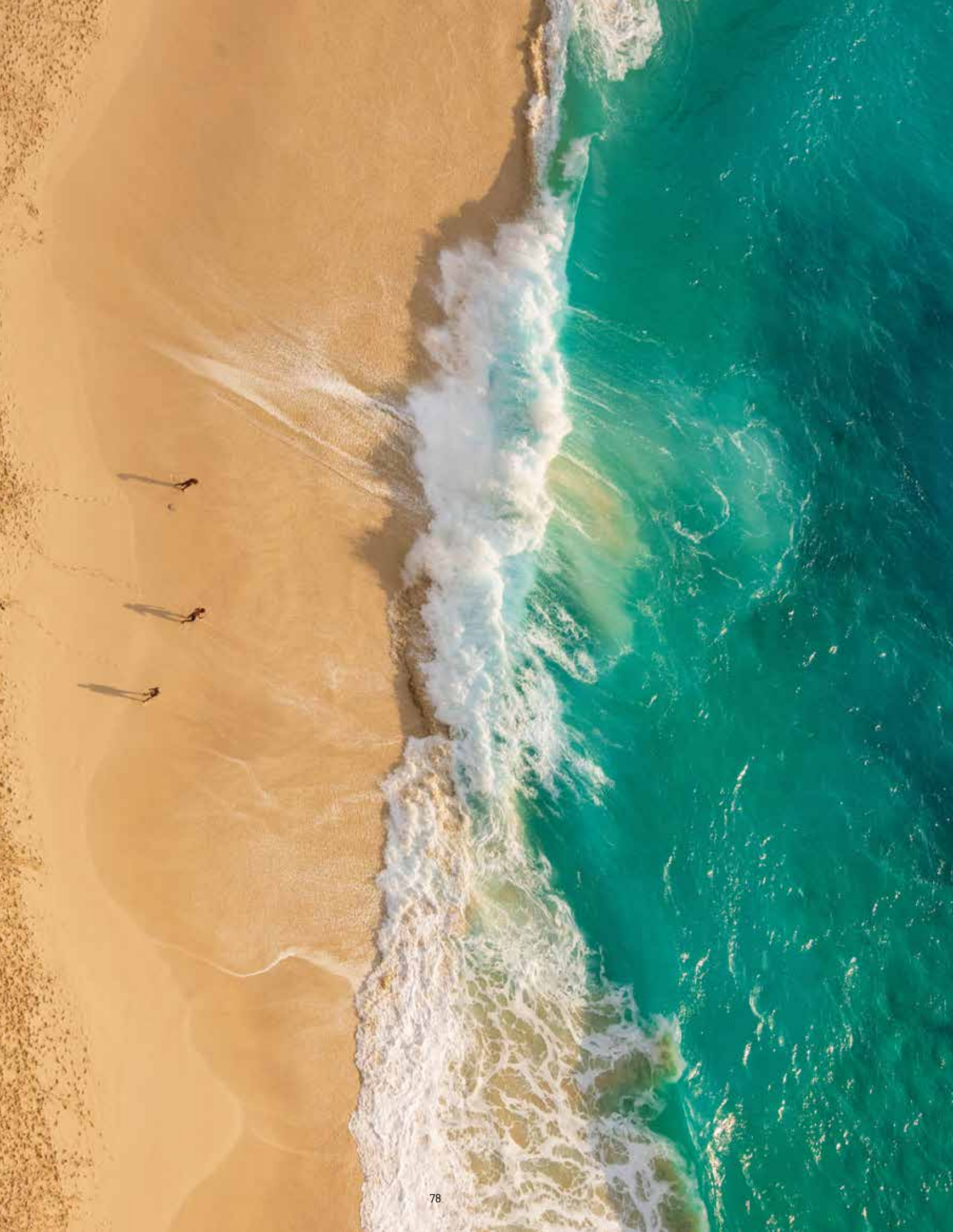
In February 2022, a number of countries (including the United States, the United Kingdom and the EU) imposed new sanctions on certain entities (including financial institutions) and individuals in Russia following the official recognition of the Donetsk People's Republic and the Luhansk People's Republic by the Russian Federation. Additional sanctions were imposed when Russia launched military operations against Ukraine on 24 February 2022, including the restriction of access to the SWIFT international payment system by already sanctioned Russian banks.

Such sanctions may affect not only sanctioned entities and individuals, including the entities under their control, but also the commercial counterparties of these sanctioned entities.

The results of sanctions and geopolitical instability have created significant volatility in the financial markets, which could have a negative impact on global economies and increase market instability.

The Board conducted an analysis of the Bank's potential exposure to the foregoing.

The board considers these events to be unadjusted events after the reporting period. As at the date of this report, the Bank, including its continuity of operations, is not affected (whether directly or indirectly) by the foregoing, and the situation will continue to be monitored including with respect to the possible impact of changes in micro and macroeconomic conditions.



OUR ACTIVE *locations*

HEAD OFFICE

Luxembourg

39, allée Scheffer
2520 Luxembourg
Tél. + 352 24 67 1

BRANCHES

Belgium

Chaussée de la Hulpe 120
1000 Bruxelles
Tél. + 32 (0)2 566 92 00

Godefriduskaai, 18 Bus 32
2000 Anvers
Tél. + 32 (0)3 233 11 70

Kortrijksesteenweg 62
9830 Sint Martens Latem
Tél. + 32(0)468 48 58 87

Spain

Gran Via 42 - 2º Dcha
48011 Bilbao
Tél. + 34 94 423 08 86

Paseo de la Castellana 1
28046 Madrid
Tél. + 34 91 310 99 10

Calle Getaria 2, Ppal. Izq.
20005 San Sebastián
Tél. + 34 943 43 02 07

c/ San Fernando 27 - 2ª Planta
41004 Sevilla
Tél. + 34 95 429 19 66

Don Juan de Austria 32 - 3ª
46002 Valencia
Tél. + 34 96 351 88 80

Italy

Piazza Cavour, 2
20121 Milano
Tél. +39 02 72206.1

Via E. Filiberto di Savoia, 3
35137 Padova
Tél. +39 049 7841201

Via Jacopo Peri, 1
00198 Roma
Tél. +39 06 6976 1901

Via Papacino, 1 bis
10121 Torino
Tél. +39 011 23025.1

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