

CONSOLIDATED FINANCIAL STATEMENTS 2022

CACEIS

CACEIS is the asset servicing banking group of Crédit Agricole and Santander dedicated to asset managers, insurance companies, pension funds, banks, private equity and real estate funds, brokers and corporate clients. Through offices across Europe, North and South America, and Asia, CACEIS offers a broad range of services covering execution, clearing, forex, securities lending, custody, depositary and fund administration, fund distribution support, middle office outsourcing and issuer services.

WITH ASSETS UNDER CUSTODY OF €4.1 TRILLION AND ASSETS UNDER ADMINISTRATION OF €2.2 TRILLION, CACEIS IS A EUROPEAN LEADER IN ASSET SERVICING AND ONE OF THE MAJOR PLAYERS WORLDWIDE.

Figures as at 31 December 2022

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EXTRACT FROM THE CONSOLIDATED FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS PRESENTED ARE EXTRACTED FROM CACEIS'S CONSOLIDATED FINANCIAL STATEMENTS THAT WERE CERTIFIED BY LEGAL AUDITORS AND LODGED AT PARIS' COMMERCIAL COURT ("GREFFE DU TRIBUNAL DE COMMERCE DE PARIS") WITH THE FOLLOWING PUBLICATION REFERENCE IN THE "BULLETIN DES ANNONCES LÉGALES OBLIGATOIRES" (BALO): ANNOUNCEMENT N°2302254 RELEASED ON THE 12TH OF JUNE 2023.

1. INCOME STATEMENT

(in thousands of euros)	31.12.2022	31.12.2021
Interest and similar income	1 476 999	956 816
Interest and similar expenses	-1 148 350	-681 274
Fee and commission income	1 097 265	1 122 045
Fee and commission expenses	-266 085	-270 887
Net gains (losses) on financial instruments at fair value through profit or loss	180 622	98 784
<i>Net gains (losses) on held-for-trading assets/liabilities</i>	-225 297	394 249
<i>Net gains (losses) on other financial assets/liabilities at fair value through profit or loss</i>	405 919	-295 465
Net gains (losses) on financial instruments at fair value through other comprehensive income	4 003	228
<i>Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss</i>	4 003	228
<i>Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)</i>		
Net gains (losses) arising from the derecognition of financial assets at amortised cost	3 810	10 871
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		
Income on other activities	6 880	6 944
Expenses on other activities	-79 028	-64 442
REVENUES	1 276 117	1 179 084
Operating expenses	-852 768	-881 543
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	-69 170	-67 111
GROSS OPERATING INCOME	354 179	230 430
Cost of risk	-2 337	4 345
OPERATING INCOME	351 842	234 774
Share of net income of equity-accounted entities	15 421	7 552
Net gains (losses) on other assets	-8 448	177
Change in value of goodwill		63
PRE-TAX INCOME	358 815	242 567
Income tax charge	-80 984	-55 862
Net income from discontinued operations		
NET INCOME	277 831	186 705
Non-controlling interests		
NET INCOME GROUP SHARE	277 831	186 705
Earnings per share (in euros) ⁽¹⁾	10.14	6.74
Diluted earnings per share (in euros) ⁽¹⁾	10.14	6.74

⁽¹⁾ Income including net income from discontinued operations.

2. NET INCOME AND OTHER COMPREHENSIVE INCOME

(in thousands of euros)	31.12.2022	31.12.2021
NET INCOME	277 831	186 705
Actuarial gains and losses on post-employment benefits	20 480	11 021
Other comprehensive income on financial liabilities attributable to changes in own credit risk ⁽¹⁾		
Other comprehensive income on equity instruments that will not be reclassified to profit or loss		
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	20 480	11 021
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	-18	15
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	-5 042	-3 249
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	-1	13
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations		
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX	15 419	7 799
Gains and losses on translation adjustments	-17 346	-3 291
Other comprehensive income on debt instruments that may be reclassified to profit or loss	-67 011	-57 027
Gains and losses on hedging derivative instruments	-77	
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	-84 434	-60 318
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	29 786	7 039
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	15 188	15 556
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities		
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations		
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX	-39 461	-37 722
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	-24 041	-29 923
NET INCOME AND OTHER COMPREHENSIVE INCOME	253 790	156 781
Of which Group share	253 790	156 781
Of which non-controlling interests		

⁽¹⁾ Amount of items that will not be reclassified in profit or loss transferred to reserves.

3. BALANCE SHEET

3.1 ASSETS

(in thousands of euros)	31.12.2022	31.12.2021
Cash, central banks	32 932 375	46 953 885
Financial assets at fair value through profit or loss	387 152	516 520
<i>Held for trading financial assets</i>	347 897	479 997
<i>Other financial instruments at fair value through profit or loss</i>	39 255	36 523
Hedging derivative instruments	3 338 692	191 772
Financial assets at fair value through other comprehensive income	4 321 390	8 029 611
<i>Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss</i>	4 321 075	8 029 578
<i>Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss</i>	315	33
Financial assets at amortised cost	77 227 218	59 365 183
<i>Loans and receivables due from credit institutions</i>	33 240 272	17 314 719
<i>Loans and receivables due from customers</i>	8 504 937	6 428 420
<i>Debt securities</i>	35 482 009	35 622 044
Revaluation adjustment on interest rate hedged portfolios		16 220
Current and deferred tax assets	356 732	357 154
Accruals, prepayments and sundry assets	3 421 581	4 561 494
Non-current assets held for sale and discontinued operations	174 010	
Deferred participation		
Investments in equity-accounted entities	321 626	276 438
Investment property		
Property, plant and equipment	246 105	244 365
Intangible assets	536 453	576 993
Goodwill	1 043 306	1 042 423
TOTAL ASSETS	124 306 641	122 132 059

3.2 LIABILITIES AND EQUITY

(in thousands of euros)	31.12.2022	31.12.2021
Central banks	2 308	1 314
Financial liabilities at fair value through profit or loss	396 603	296 776
<i>Held for trading financial liabilities</i>	396 603	296 776
<i>Financial liabilities designated at fair value through profit or loss</i>		
Hedging derivative instruments	120 220	432 136
Financial liabilities at amortised cost	109 471 105	109 178 355
<i>Due to credit institutions</i>	9 372 996	8 431 502
<i>Due to customers</i>	99 987 990	100 636 869
<i>Debt securities</i>	110 119	109 984
Revaluation adjustment on interest rate hedged portfolios	-90 546	11 159
Current and deferred tax liabilities	198 021	213 961
Accruals, deferred income and sundry liabilities	9 199 201	7 410 639
Liabilities associated with non-current assets held for sale and discontinued operations	166 154	
Insurance compagny technical reserves		
Provisions	108 677	149 448
Subordinated debt	274 943	273 033
TOTAL LIABILITIES	119 846 686	117 966 821
EQUITY	4 459 955	4 165 238
• Equity, Group share	4 459 955	4 165 238
- Share capital and reserves	3 096 334	3 016 332
- Consolidated reserves	1 085 773	938 145
- Other comprehensive income	-530	24 057
- Other comprehensive income on discontinued operations	547	
- Net income (loss) for the year	277 831	186 705
• Non-controlling interests		
TOTAL LIABILITIES AND EQUITY	124 306 641	122 132 059

4. STATEMENT OF CHANGES IN EQUITY

	Group share				
	Share capital and reserves				
	Share capital	Share premium and consolidated reserves	Elimination of treasury shares	Other equity instruments	Total Capital and consolidated reserves
(in thousands of euros)					
Equity at 1 January 2021	941 008	2 603 662		615 000	4 159 670
Capital increase					
Changes in treasury shares held					
Issuance / redemption of equity instruments				300 000	300 000
Remuneration of undated deeply subordinated notes		-28 338			-28 338
Dividends paid in 2021		-472 000			-472 000
Impact of acquisitions/disposals on non-controlling interests					
Changes due to share-based payments		308			308
Changes due to transactions with shareholders		-500 030		300 000	-200 030
Changes in other comprehensive income					
Share of changes in equity-accounted entities					
Net income for 2021					
Other changes		-5 163			-5 163
Equity at 31 december 2021	941 008	2 098 469		915 000	3 954 477
Appropriation of 2021 net income		186 705			186 705
Equity at 1 January 2022	941 008	2 285 174		915 000	4 141 182
Equity at 1 January 2022 restated	941 008	2 285 174		915 000	4 141 182
Capital increase					
Changes in treasury shares held					
Issuance / redemption of equity instruments ⁽²⁾				80 000	80 000
Remuneration of undated deeply subordinated notes		-39 509			-39 509
Dividends paid in 2022					
Impact of acquisitions/disposals on non-controlling interests					
Changes due to share-based payments		444			444
Changes due to transactions with shareholders		-39 065		80 000	40 935
Changes in other comprehensive income					
Share of changes in equity-accounted entities					
Net income for 2022					
Other changes		-10			-10
EQUITY AT 31 DECEMBER 2022	941 008	2 246 099		995 000	4 182 107

An issuance of undated Additional Tier 1 subordinated bonds subscribed by Crédit Agricole S.A. was realised on 30 March 2022 for an amount of 80 million euros.

Other comprehensive income			Non-controlling interests							
Other comprehensive income on items that may be reclassified to profit or loss	Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income	Net income	Total Equity	Capital, associated reserves and income	Other comprehensive income			Total Equity	Total Consolidated equity
						Other comprehensive income on items that may be reclassified to profit or loss	Other comprehensive income on items that will not be reclassified to profit or loss	Total Other comprehensive income		
77 902	-23 923	53 979		4 213 649						4 213 649
				300 000						300 000
				-28 338						-28 338
				-472 000						-472 000
				308						308
				-200 030						-200 030
-37 721	7 799	-29 922		-29 922						-29 922
			186 705	186 705						186 705
				-5 163						-5 163
40 181	-16 124	24 057	186 705	4 165 238						4 165 238
			-186 705							
40 181	-16 124	24 057		4 165 238						4 165 238
40 181	-16 124	24 057		4 165 238						4 165 238
				80 000						80 000
				-39 509						-39 509
				444						444
				40 935						40 935
-39 461	15 396	-24 064		-24 064						-24 064
			277 831	277 831						277 831
	25	25		15						15
721	-703	18	277 831	4 459 955						4 459 955

5. STATEMENT OF CASH FLOWS

(in thousands of euros)	31.12.2022	31.12.2021
Pre-tax income	358 815	242 567
Net depreciation and impairment of property, plant & equipment and intangible assets	67 836	67 112
Impairment of goodwill and other fixed assets		-63
Net addition to provisions	-23 190	33 748
Share of net income (loss) of equity-accounted entities	-15 421	-7 552
Net income (loss) from investment activities	108	
Net income (loss) from financing activities	7 390	4 441
Other movements	136 685	23 718
Total Non-cash and other adjustment items included in pre-tax income	173 407	121 403
Change in interbank items	-14 498 380	-5 240 149
Change in customer items	-2 723 514	5 140 639
Change in financial assets and liabilities	329 385	-2 942 458
Change in non-financial assets and liabilities	3 095 944	2 588 141
Dividends received from equity-accounted entities		
Taxes paid	-87 095	-75 366
Net change in assets and liabilities used in operating activities	-13 883 660	-529 193
Cash provided (used) by discontinued operations		
Total Net cash flows from (used by) operating activities (A)	-13 351 438	-165 224
Change in equity investments ⁽¹⁾	5	879
Change in property, plant & equipment and intangible assets	-63 929	-52 179
Cash provided (used) by discontinued operations		
Total Net cash flows from (used by) investing activities (B)	-63 924	-51 300
Cash received from (paid to) shareholders ⁽²⁾	40 491	-200 338
Other cash provided (used) by financing activities ⁽³⁾	-33 441	-35 672
Cash provided (used) by discontinued operations		
Total Net cash flows from (used by) financing activities (C)	7 050	-236 010
Impact of exchange rate changes on cash and cash equivalent (D)	-136 941	630
Net increase/(decrease) in cash and cash equivalent (A + B + C + D)	-13 545 253	-451 903
Cash and cash equivalents at beginning of period	46 216 100	46 668 003
Net cash accounts and accounts with central banks *	46 953 943	47 806 019
Net demand loans and deposits with credit institutions **	-737 843	-1 138 016
Cash and cash equivalents at end of period	32 670 848	46 216 100
Net cash accounts and accounts with central banks *	32 926 972	46 953 943
Net demand loans and deposits with credit institutions **	-256 124	-737 843
NET CHANGE IN CASH AND CASH EQUIVALENTS	-13 545 253	-451 903

- * Consisting of the net balance of the "Cash, central banks" item, excluding accrued interest and including cash of entities reclassified as discontinued operations.
- ** Consisting of the balance of the "Non doubtful current accounts in debit" and "Non doubtful overnight accounts and advances" items and the "Current accounts in credit" and "Overnight accounts and deposits" items (excluding accrued interest).

In accordance with IAS 7, cash balances are available for the CACEIS group and are not covered by any restrictions.

- ⁽¹⁾ Cash received from (paid to) shareholders: it includes the payment of AT1 emission from Crédit Agricole SA for 80 000 thousand euros net of AT1 interest payment for 39 509 thousands euros.
- ⁽²⁾ Other cash provided (used) by financing activities: this line includes the repayment of IFRS 16 lease debt for -28 099 thousand euros, and interest payments on subordinated debt and bonds for -5 342 thousand euros.

6. APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to EC Regulation no. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable as of 31 December 2022 and as adopted by the European Union (*carve-out version*), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at:

https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The standards and interpretations are the same as those applied and described in the Group's financial statements for the financial year ended 31 December 2021.

They have been supplemented by the IFRS standards as adopted by the European Union as of 31 December 2022 and that must be applied for the first time in 2022. These cover the following:

Standards, amendments or interpretations	Date of first-time application: financial years from	Significant effect in the Group
Amendment to IAS 16 Property, Plant and Equipment — Proceeds before Intended Use	1 st January 2022	No
Improvements to IFRSs 2018-2020 Cycle - IFRS 1 Subsidiary as a first-time adopter, - IFRS 9 Derecognition of a financial liability: fees and commissions to be included in the 10% test - IAS 41 Taxation in fair value measurements, and - IFRS 16 Lease incentives.	1 st January 2022	No
Amendment to IFRS 3 References to the conceptual framework	1 st January 2022	No
Amendment to IAS 37 Onerous Contracts — Cost of Fulfilling a Contract	1 st January 2022	No

Furthermore, if the early application of standards and interpretations adopted by the European Union is optional over a given period, the option is not selected by the Group unless stated specifically.

These cover the following:

Standards, amendments or interpretations	Date of first-time application: financial years from	Applicable in the Group
IFRS 17 Insurance contracts	1 st January 2023	No

IFRS 17: Insurance contracts

Given the absence of any insurance activity within CACEIS, IFRS 17 is not expected to have any impact on CACEIS' consolidated financial statements as of 1 January, 2023.

7. MAJOR STRUCTURAL TRANSACTIONS AND MATERIAL EVENTS DURING THE PERIOD

CROSS-BORDER MERGER OF CACEIS BELGIUM INTO CACEIS BANK

The Belgian law of 27 June 2021 has amended the applicable regulations and now allows a custodian bank to perform previously unauthorised administrative management duties.

As CACEIS Bank's branch in Belgium can now perform both these duties, subject to meeting the applicable regulatory requirements, the decision was made in 2022 to transfer CACEIS Belgium's operations to CACEIS Bank, Belgium Branch, by means of a cross-border merger of CACEIS Belgium into CACEIS Bank.

This merger corresponds to the aim of simplifying the company's governance and relations with the supervisory authorities. In particular, it will allow for streamlined reporting and a reduction in costs, notably administrative costs.

CREATION OF CACEIS FUND ADMINISTRATION, SUCURSAL EN ESPAÑA

As part of the TURBO program launched in 2021, a Shared Services Centre was set up in Spain in May 2022 by means of the creation of the entity CACEIS Fund Administration, Sucursal en España, a branch of CACEIS Fund Administration.

This allows CACEIS to benefit from an additional operating centre in Europe to support its growth and balance out its centres of knowledge.

CACEIS ACQUIRES RBC INVESTOR SERVICES' ASSET SERVICING OPERATIONS

On 14 October 2022, CACEIS and Royal Bank of Canada (RBC) signed a memorandum of understanding (MoU) concerning the acquisition by CACEIS of RBC Investor Services' European asset servicing operations and its associated centre of excellence in Malaysia. These services comprise custody and related forex transactions, fund administration, transfer agency, middle office and securities lending.

At the same time as signing the MoU, CACEIS paid RBC €10 million in exchange for an option to acquire the operations in question.

After consulting with the CACEIS group's employee representatives, on 22 December 2022, CACEIS exercised its acquisition option, and on 23 December 2022, the parties signed a Share Purchase Agreement confirming their will to carry out the transaction in 2023, subject to the usual regulatory and antitrust conditions precedent being met.

This amount of €10 million, recorded in Sundry debtors as at 31 December 2022, will be allocated to the value of the securities at the date of signature of the final acquisition and will be deducted from the price ultimately paid by CACEIS for this purchase operation.

If these authorizations are not obtained and the transaction is not completed, this advance of €10 million will belong to the Royal Bank of Canada and will therefore have to be provisioned. To date, the operation is very likely and therefore does not require provision.

IMPACT RELATING TO MILITARY OPERATIONS IN UKRAINE

CACEIS is exposed to country risk, i.e., the risk that economic, financial, political or social conditions in a country in which it operates could affect its financial interests. A significant change to the political or macroeconomic environment could force it to recognise additional expenses or sustain heavier losses than already stated in its financial statements.

The CACEIS group is exposed, in absolute value, to the risk on Russia for €0.7 million (exposure on the correspondent bank in Russia).

As custodian of the assets of its customers, CACEIS also carries an indirect risk on its sub-depository in Russia which retains the Russian assets of the customers (€577 million). In general, CACEIS has an obligation to return those assets to the customers, but in extreme situations such as that encountered in Russia, CACEIS can be relieved of this obligation (“force majeure”).

CACEIS BANK S.A, GERMANY BRANCH

In 2019, CACEIS Germany received from the Bavarian tax authorities a demand to recover tax on dividends received from some of its clients in 2010.

This demand concerned an amount of 312 million euros. It was accompanied by a demand to pay interest calculated at the rate of 6% per year.

CACEIS has requested a payment deferral pending the outcome of the main proceedings as described below. Deferral has been granted for the payment of interest and refused for the demand to recover taxes in the amount of 312 million euros. CACEIS has appealed against this refusal. As the refusal decision is binding, the sum of 312 million euros has been paid by CACEIS, which included a receivable of this amount in its financial statements for the third quarter of 2019 in view of the appeal proceedings in process.

CACEIS Germany strongly objects to this demand, which it believes is completely unfounded. CACEIS Germany submitted its conclusions supporting its position to the Bavarian tax authorities in 2021.

CACEIS Germany was informed on 30 November 2022 of the Bavarian tax authorities' final decision, confirming its initial position. The penalty interest for which CACEIS had obtained a suspension is not included in the scope of the decision.

CACEIS Germany continues to dispute this unfounded claim and on 21 December 2022 submitted an appeal to the Fiscal Court of Munich.

The Group confirms its accounting position, namely maintaining the receivable of €312 million recognised in the third quarter of 2019.

UPTEVIA

The draft agreement between BNP Paribas's Securities Services business and CACEIS announced on 18 March 2022 has been approved by the regulatory and competition authorities. Uptevia, which is equally owned by CACEIS and BNP Paribas, was created on 1 January 2023 and combines the two banks' issuer services operations.

Uptevia's goal is to become a leading name in France – and eventually in Europe – in Corporate Trust activities. The new joint venture offers securities issuers a wide range of services such as shareholder recordkeeping, centralising general meetings, setting up and centralising securities transactions and managing employee shareholding plans.

Uptevia also provides equivalent services for fixed income products such as bonds and negotiable debt securities.

CACEIS and BNP Paribas (662 042 449 RCS Paris) have decided to form a partnership in issuer services and combine all of CACEIS's and BNP Paribas's issuer services operations within CACEIS Corporate Trust (439 430 976 RCS Nanterre), previously a wholly owned subsidiary of CACEIS, by creating a joint venture equally owned by the two shareholders.

CACEIS and BNP Paribas have agreed to do this by means of a cash contribution and a contribution in kind to CACEIS Corporate Trust by BNP Paribas and its Corporate Trust Services Equity France division in exchange for newly issued CACEIS Corporate Trust shares.

After obtaining the necessary regulatory and antitrust authorisations on 22 December 2022, the business combination was finalised on 1 January 2023 after being approved by shareholders at the general meeting of CACEIS Corporate Trust, which has set up the joint venture's new governance structure. On receiving the relevant regulatory authorisation, the joint venture changed its name from CACEIS Corporate Trust to Uptevia on 3 January 2023.

As this transaction is regarded as a future asset sale, in accordance with IFRS 5, the assets and liabilities of CACEIS Corporate Trust as at 31 December 2022 have been reclassified as separate items in CACEIS's consolidated financial statements.

- under assets as "Non-current assets held for sale" in the amount of €174 million;
- under liabilities as "Liabilities related to non-current assets held for sale" in the amount of €166 million;

CACEIS Corporate Trust's contribution to the consolidated income statement remains under the usual headings and income statement subtotals.

8. EVENTS SUBSEQUENT TO 31 DECEMBER 2022

No significant events took place after the closing date.

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INVESTOR SERVICES



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