# Crédit Agricole group Pillar 3 at 30 june 2019

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# Pillar 3 disclosures

Regulation (EU) no. 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation or “CRR”) modified by CRR n°2019/879 (said « CRR 2 ») requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. Crédit Agricole Group’s risk management system and exposure levels are presented in this section and in the section entitled “Risk management”.

Basel 3 focuses on three Pillars:

- **Pillar 1** sets the minimum capital adequacy requirements and level of ratios in accordance with the current regulatory framework;
- **Pillar 2** completes the regulatory approach with the quantification of a capital requirement covering the major risks to which the Bank is exposed, on the basis of methodologies specific to it (see part 2: "Management of economic capital");
- **Pillar 3** introduces new standards for financial disclosure to the market; the latter is more detailed in terms of regulatory capital components and risk assessments, both for the regulations applied and the business during the period.

The Crédit Agricole Group has chosen to disclose its Pillar 3 Prudential information in a separate section from its Risk Factors in order to isolate the items that meet the regulatory publication requirements.

The main objective of the solvency management of Crédit Agricole Group is to assess its own funds and verify at all times that Crédit Agricole Group has sufficient own funds to cover the risks to which it is or could be exposed in view of its activities, thereby securing the Group’s access to financial markets on the desired terms.

To achieve this objective, the Group relies on an internal ICAAP (Internal Capital Adequacy and Assessment Process).

The ICAAP is developed in accordance with the interpretation of the main regulatory texts specified below (Basel agreements, guidelines of the European Banking Authority, prudential expectations of the European Central Bank). More specifically, it includes:

- governance of the management of share capital, adapted to the specificities of the Group's subsidiaries, which allows centralised and coordinated monitoring at the Group level;
- a measurement of regulatory capital requirements (Pillar 1);
- a measurement of economic capital needs based on the risk identification process and quantification of capital requirements using an internal approach (Pillar 2);
- the management of regulatory capital, which is based on short-term and medium-term prospective measures, consistent with budgetary projections, on the basis of a central economic scenario;
- the management of ICAAP stress tests, which aim to simulate the destruction of capital after a three-year adverse economic scenario (see Chapter 5, "Risk Factors: Different types of stress tests” of the Crédit Agricole S.A.’s 2018 annual report);
- the management of economic capital (see part 2 - “Economic capital management”); and
- a qualitative ICAAP that formalises in particular the major areas for risk management improvement.

ICAAP is an integrated process that interacts with the Group's other strategic processes (ILAAP (Internal Liquidity Adequacy and Assessment Process), risk appetite, budget process, recovery plan, risk identification, etc.).

In addition to solvency, Crédit Agricole S.A. also manages leverage and resolution ratios (MREL & TLAC) on behalf of Crédit Agricole Group.

Lastly, the major solvency ratios are an integral part of the risk appetite framework applied within Crédit Agricole Group (described in the 2018 Crédit Agricole S.A.'s registration document chapter 5 "Risk management").

# 1. MANAGEMENT OF REGULATORY CAPITAL

Qualitative and quantitative information on capital management under IAS 1 are presented in sections 1.1, 1.5.1.4 and 1.5.6 in this chapter. When they are covered by the Statutory Auditors' opinion, these information are identified by a dedicated footnote, as following: "Information covered by the Statutory Auditors' opinion".

## 1.1. Applicable regulatory framework*

Tightening up the regulatory framework, Basel 3 agreements enhanced the quality and level of regulatory capital required and added new risk categories to the regulatory framework. In addition, a specific regulatory framework, allowing an alternative to bank default, was introduced following the 2008 financial crisis.

The legislation concerning the regulatory requirements applicable to credit institutions and investment firms was published in the Official Journal of the European Union on 26 June 2013 (Capital Requirements Directive 2013/36/EU, known as "CRD 4", transposed notably by French Order No. 2014-158 of 20 February 2014 and the Capital Requirements Regulation, known as "CRR", Regulation 575/2013) entered into force on 1 January 2014, in accordance with the transitional provisions specified in the legislation.

The European Bank Recovery and Resolution Directive (known as BRRD, Directive 2014/59/EU) was published on 12 June 2014 with effective date 1 January 2015 and the European Single Resolution Mechanism Regulation (known as SRMR, Regulation 806/2014) was published on 30 July 2014 with effective date 1 January 2016, in accordance with the transitional provisions of the texts.

On 7 June 2019, four texts constituting the banking package were published in the Official Journal of the European Union for gradual implementation by the end of June 2021:

- BRRD 2: Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU
- SRMR 2: Regulation (EU) 2019/877 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 806/2014
- CRD 5: Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU
- CRR 2: Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013

* Information covered by the Statutory Auditor's opinion

The BRRD 2 and CRD 5 Directives will be transposed into French law. Regulations CRR 2 and SRMR 2 entered into force 20 days after their publication, i.e. on 27 June 2019 (although not all the provisions are immediately applicable).

In the CRR 2/CRD 4 regime (pending the transposition of CRD 5), four levels of capital requirements are calculated:

- the Common Equity Tier 1 ratio (CET1);
- the Tier 1 (T1) ratio;
- the total capital ratio.
- the leverage ratio.

These ratios are calculated in a phased-in approach with the goals of gradually managing the transition from: on one's hand the Basel 2 calculation rules to the Basel 3 rules (the transitional provisions have been applied to all equity until 1 January 2018 and apply to hybrid debt instruments until 1 January 2022) and, on the other hand, the eligibility criteria defined by CRR 2 (until 28 June 2025).

In addition to this system, a ratio is already applicable to estimate the adequacy of the bail-in and recapitalisation capacities of Global Systemically Important Institutions (G-SII). This Total Loss Absorbing Capacity (TLAC) ratio completes the tracking of the resolution ratio of the Minimum Requirement for Own Funds and Eligible Liabilities (MREL) as defined in the BRRD.

Each of these ratios links an amount of regulatory capital and instruments eligible for risk and/or leverage exposure. The definitions and calculations are covered in the following sections.

The requirements applicable to Crédit Agricole S.A. Group and Crédit Agricole Group are met.

## 1.2. Supervision

Credit institutions and certain investment activities referred to in Annex 1 of Directive 2004/39/EC are subject to solvency ratios, resolution ratios and large exposure ratios on an individual, and where applicable, sub-consolidated basis.

The French Regulatory Control and Resolution Authority (ACPR) has accepted that certain subsidiaries of the Group may benefit from individual exemption or, as necessary, on a sub-consolidated basis in the conditions specified by Article 7 of the CRR Regulation. As such, Crédit Agricole S.A. has been exempted by the ACPR from application on an individual basis.

The transition to single supervision on 4 November 2014 by the European Central Bank did not call into question the individual exemptions previously granted by the ACPR.

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## 1.3. Regulatory supervision scope

**Difference between the accounting and regulatory scopes of consolidation**

Entities consolidated for accounting purposes, but excluded from the regulatory scope of consolidation of credit institutions on a consolidated basis predominantly comprise insurance companies and several *ad hoc* entities that are equity-accounted for regulatory purposes. In addition, entities consolidated on an accounting basis using proportional consolidation at 31 December 2013 and now equity-accounted in accordance with IFRS 11, are still consolidated proportionally for regulatory purposes. Information on these entities and their consolidation method for accounting purposes is provided in Note 11 to the consolidated financial statements, “Scope of consolidation at 30 June 2019”.

| Type of equity investment | Accounting treatment | Fully loaded Basel 3 regulatory treatment |
|---|---|---|
| Subsidiaries with financial operations | Fully consolidated | Full consolidation generating capital requirements for the subsidiary’s operations. |
| Jointly held subsidiaries with financial operations | Equity-accounted | Proportional consolidation. |
| Subsidiaries with insurance operations | Fully consolidated | Regulatory treatment of these equity investments using equity accounting method, since the Group is identified as being a “financial conglomerate”:<br>• CET1 instruments weighted at 370% (for non-listed entities), with EL equity at 2.4%, subject to approval by the banking supervisor; otherwise, deduction of the subsidiary's CET1 financial instruments from the Group's total CET1 instruments;<br>• AT1 and Tier 2 instruments deducted from the the total of equivalent financial instruments of the Group.<br>In turn, as in previous years, Crédit Agricole S.A. Group and Crédit Agricole Group are subject to additional capital requirements and capital adequacy ratios applying to financial conglomerates. |
| Equity investments of over 10% with operations that are financial in nature | • Equity-accounted<br>• Equity investments in credit institutions | • Deduction of CET1 instruments from CET1, beyond an exemption threshold of 17.65% of CET1. This exemption threshold, applied after calculation of a 10% threshold, is common to the non-deducted portion of deferred tax assets that rely on future profitability arising from temporary differences.<br>• AT1 and Tier 2 instruments deducted from the total of equivalent financial instruments of the Group. |
| Equity investments of ≤ 10% with financial or insurance operations | Equity investments and available-for-sale securities | Deduction of CET1, AT1 and Tier 2 instruments, beyond an exemption threshold of 10% of CET1. |
| Investments of ≤ 10% in global systemically important institutions (G-SII) | Financial assets | Deduction of eligible elements, or to the extent if not available sufficiently, deduction of Tier 2 instruments, beyond an exemption threshold of 10% of CET1 (only for global systemically important institutions). |
| ABCP (Asset-backed commercial paper)business securitisation vehicles | Fully consolidated | Risk weighting of the equity-accounted value and commitments on these structures (liquidity facilities and letters of credit). |

The list of entities concerned by a difference between the accounting and prudential scopes is detailed in part 3. “Appendix to the regulatory capital”.

## 1.4. Overall system

### CAPITAL PLANNING

The management of regulatory capital is performed using a process called capital planning.

Capital planning is designed to provide projections for capital and rare resource consumption (risk-weighted assets and balance sheet) over the current Medium Term Plan covering both scopes of consolidation (Crédit Agricole S.A., a listed company and Crédit Agricole Group, a global systemically important institution), with a view to determining the trajectories for solvency ratios (CET1, Tier 1, Total capital ratio and leverage ratio) and resolution ratios (MREL and TLAC).

It covers the budgetary components of the financial trajectory, including organisational transaction projects, regulatory accounting and prudential changes, as well as model effects against risk bases. It also reflects the issuance policy (subordinated debts and eligible TLAC and MREL debts) and distribution with regard to the capital structure objectives defined in line with the Group's strategy.

It enables the leeway available to the Group for development to be determined. It thus ensures compliance with the various regulatory requirements and is used to calculate the Maximum Distributable Amount as defined by the CRD 4 for Additional Tier 1 debt. It is also used to set various risk thresholds used for risk appetite.

Capital planning is submitted to various governance bodies and is communicated to the competent authorities, either in the context of regular discussions or for special transactions (such as authorisation requests).

The subsidiaries subject to regulatory requirement compliance and the Regional Banks also perform this forecast exercise at a sub-consolidated level.

### GOVERNANCE

The Capital Management Committee meets quarterly (and more often if required); chaired by the Deputy General Manager in charge of finances, it includes the Chief Risk Officer, the Financial Steering Director, the Financial Communication Director and the Financing and Treasury Director.

This Committee has the following main tasks:

- review the short and medium-term solvency, leverage and resolution projections for the Crédit Agricole and Crédit Agricole S.A. Groups as well as the ratios monitored by rating agencies
- approve the structuring assumptions with an effect on solvency in line with the Medium Term Plan
- set the rules for capital management and distribution within the Group
- decide on liability management transactions (subordinated debt management)
- keep up to date with the latest supervision and regulatory news
- examine the relevant problems relating to the subsidiaries and to the Regional Banks
- prepare the decisions to be submitted if necessary to the Assets and Liabilities Committee and the Board of Directors
- study any other subject affecting solvency and resolution ratios at Group level

### CAPITAL POLICY

The Group unveiled its financial trajectory for the Plan 2022 during the Investors' Day on 6 June 2019. Objectives in terms of results and scarce resources were explained on this occasion.

**Crédit Agricole Group**

Crédit Agricole Group aims to remain among the most capitalised G-SII in Europe by reaching and maintaining a CET1 ratio of more than 16% by 2022. This objective will be achieved by retaining more than 80% of its results, bringing its Common Equity Tier 1 capital (CET1) to €100 billion by the end of 2022.

Crédit Agricole Group aims to achieve a subordinated MREL ratio level of 24 to 25% of risk-weighted assets by the end of 2022 and to maintain a subordinated MREL ratio excluding preferred senior debt above 8% of the TLOF.

Achieving these two objectives will confirm Crédit Agricole Group's robustness and financial strength, thus reinforcing its rating toward rating agencies.

**Crédit Agricole S.A.**

With regard to CET1, Crédit Agricole S.A. has set itself the objective of maintaining a ratio of 11% over the MTP period. Crédit Agricole S.A. is committed to distribute 50% of its net income net of additional Tier 1 debt coupons in cash.

In an uncertain economic and regulatory environment, this model enables to strike a balance between an attractive distribution policy for shareholders, an agile asset allocation, and the financing of half of the unwinding of the Switch guarantee. This level of equity also ensures compliance with the SREP P2G recommendation.

**Regional banks**

Through their financial structure the Regional Banks have a strong ability to generate capital by retaining most of their earnings. Capital is also strengthened by the issuance of mutual shares by the Local banks.

**Subsidiaries**

Subsidiaries under Crédit Agricole S.A. exclusive control and subject to compliance with capital requirements are capitalised at a consistent level, taking into account local regulatory requirements, capital requirements necessary to finance their development, and a management buffer adapted to the volatility of their CET1 ratio.

## 1.5. Solvency ratios

### SOLVENCY RATIO NUMERATOR

### (SEE PART 1.6 "DEFINITION OF CAPITAL")

Basel 3 defines three levels of capital:

- Common Equity Tier 1 (CET1);
- Tier 1 capital, which consists of Common Equity Tier 1 and Additional Tier 1 capital (AT1);
- Total capital, consisting of Tier 1 capital and Tier 2 capital.

### SOLVENCY RATIO DENOMINATOR

### (SEE PART 3 "COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS")

Basel 3 defines several types of risk: credit risks, market risks and operational risks, which give rise to a risk-weighted asset calculation. These are discussed in part 3, below.

Pursuant to Regulation (EU) no. 575/2013 of 26 June 2013, two approaches are used to measure exposure to credit risk:

- the “standardised” approach, which is based on external credit ratings and fixed weightings for each Basel exposure class;
- the “Internal Ratings Based” approach (IRB), which is based on the bank's own internal rating system.

A distinction is made between the following approaches:

- the “Foundation Internal Ratings-Based” approach, under which institutions may use exclusively their own default probability estimates;
- the "Advanced Internal Ratings-Based" approach, under which institutions may use all their internal estimates

Furthermore, risk-weighted assets include the equity-accounted value of insurance investments for the validated conglomerate scope, pursuant to Article 49 of the CRR. The weighting applied to this value is 370% given the unlisted status of Crédit Agricole Assurances (CAA).

**NON-DEDUCTED INVESTMENTS IN INSURANCE COMPANIES (INS1)**

| 30/06/2019 *(in millions of euros)* | Value |
|---|---|
| Holdings of own funds instruments of a financial sector entity where the institution has a significant investment not deducted from own funds (before risk weighting) | 9,157 |
| **Total risk weighted exposure amount (RWA)** | **33,882** |

Furthermore, since 2 January 2014 the regulatory prudential requirements for this investment are subject to a transfer of risk to the Regional Banks thanks to specific guarantees (Switch). The guaranteed amount amounts to €9.2 billion (including €6.4 billion covering non-deducted insurance investments at 30 June 2019, equivalent to 23.5 billion risk-weighted assets).

### 1.5.1. Minimum regulatory requirements

The CRR Regulation governs the requirements with regard to Pillar 1. The regulator also fixes, on a discretionary basis, the minimum requirements, within the framework of Pillar 2.

MINIMUM REQUIREMENTS FOR PILLAR 1

The capital requirements established under Pillar 1 since 2015 are as follows:

| Pillar 1 minimum requirement | |
|---|---|
| CET1 | 4.50% |
| Tier 1 | 6.00% |
| Own funds | 8.00% |

## MINIMUM REQUIREMENTS WITH REGARD TO PILLAR 2

The European Central Bank (ECB) annually notifies Crédit Agricole Group and Crédit Agricole S.A. Group of the minimum capital requirements with regard to Pillar 2, following the results of the Supervisory Review and Evaluation Process (SREP).

Since 2017, the ECB has changed the methodology used, splitting the prudential requirement into two parts:

- a "Pillar 2 Requirement" (P2R). This requirement concerns each level of own funds and must be made up entirely of Common Equity Tier 1; failure to comply with this requirement automatically results in restrictions on distributions (additional Tier 1 capital instrument coupons, dividends, variable compensation); accordingly, this requirement is public;
- a Pillar 2 recommendation or "Pillar 2 Guidance" (P2G); at this stage, this requirement is not public.

## COMBINED BUFFER REQUIREMENT AND DISTRIBUTION RESTRICTION THRESHOLD

The regulations provide for the establishment of capital buffers, which are gradually being implemented:

- the capital conservation buffer (2.5% of risk-weighted assets in 2019);
- the countercyclical buffer (in principle a rate set within a range of 0% to 2.5%), with the buffer at the institutional level consisting of an average weighted by the relevant exposures at default (EAD[1]) of the buffers defined for each country in which the institution operates; when the countercyclical buffer rate is calculated by one of the national authorities, the application date is no more than 12 months from the publication date, except in exceptional circumstances;
- the buffers for systemic risk (0 to 3% in general, up to 5% after agreement from the European Commission, and more exceptionally above that figure), for global systemically important Institutions (G-SII, between 0% and 3.5%), or for other systemically important institutions (O-SII, between 0% and 2%). These buffers are not cumulative, and in general, with some exceptions, the highest applies. Only the Crédit Agricole Group is a G-SII and has a buffer of 1% since 1 January 2019, phased-in at 0.75% in 2018. Crédit Agricole S.A. Group is not subject to such requirements.

These buffers entered into force in 2016 and must be covered by Common Equity Tier 1 capital. The capital conservation buffer and the systemic risk buffers were applied on an annual incremental basis until 2019 (75% of the buffer required in 2018, 100% in 2019).

At the end of June 2019, countercyclical buffers for Hong Kong, Iceland, Lithuania, Norway, the Czech Republic, the United Kingdom, Slovakia and Sweden were activated by the appointed national authorities. After 1 July 2019, countercyclical buffers will also come into force in France, Bulgaria, Denmark, Luxembourg and Ireland. As for French exposures, the High Council for Financial Stability (HCFS) will bring the rate to 0.25% from 1 July 2019 and to 0.50% from 2 April 2020.

With respect to the Group's exposures in these countries, as of 30 June 2019, the Group's countercyclical buffer rate was 0.026%. It will total 0.19% at end-2019, reflecting mainly the coming into force of the French countercyclical buffer on 1 July 2019, and 0.37% at 30 June 2020, taking into account the increase in the French buffer rate as of 2 April 2020.

[1] EAD (exposure at default) is the exposure amount in the event of default. It encompasses balance sheet assets plus a proportion of off-balance sheet commitments.

Details of the countercyclical buffer calculation (CCYB1) :

*(in millions of euros)*

| 30/06/2019 (in millions of euros) | **General credit exposures** | | **Trading book exposure** | | **Securitisation exposure** | | **Own funds requirements** | | | | | **Countercyclical capital buffer rate (in %) 30/06/2019** | **Countercyclical capital buffer rate forecast (in %) 2020**** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **Standard approach** | **IRB approach** | Sum of long and short position of trading book | Value of trading book exposure for internal models | **Standard approach** | **IRB approach** | General credit exposure | Trading book exposure | Securitisation exposure | Total | Breakdown by country (in %) | | |
| Bulgaria | 1 | 27 | - | - | - | - | 1 | - | - | 1 | **0.00%** | 0.00% | 1.00% |
| Czech Republic | 19 | 114 | - | - | - | - | 5 | - | - | 5 | **0.02%** | 1.25% | 1.75% |
| Danemark | 121 | 504 | - | - | - | - | 27 | - | - | 27 | **0.08%** | 0.50% | 1.00% |
| France | 85,687 | 596,543 | 194 | 1,756 | 509 | - | 23,234 | 156 | - | 23,390 | **65.96%** | 0.00% | 0.50% |
| Hong Kong | 494 | 4,021 | - | - | - | - | 101 | - | - | 101 | **0.29%** | 2.50% | 2.50% |
| Iceland | - | - | - | - | - | - | - | - | - | - | **0.00%** | 1.75% | 2.00% |
| Ireland | 132 | 3,397 | - | - | - | - | 87 | - | - | 87 | **0.24%** | 0.00% | 1.00% |
| Lithuania | - | 1 | - | - | - | - | - | - | - | - | **0.00%** | 1.00% | 1.00% |
| Luxembourg | 3,022 | 125,898 | - | - | - | - | 1,325 | - | - | 1,325 | **3.74%** | 0.00% | 0.25% |
| Norway | 15 | 1,473 | - | - | - | - | 31 | - | - | 31 | **0.09%** | 2.00% | 2.50% |
| Slovakia | 3 | 3 | - | - | - | - | - | - | - | - | **0.00%** | 1.25% | 1.50% |
| Sweden | 78 | 1,909 | - | - | - | - | 50 | - | - | 50 | **0.14%** | 2.00% | 2.50% |
| United-kingdom | 1,548 | 14,390 | - | - | - | - | 476 | - | - | 476 | **1.34%** | 1.00% | 1.00% |
| Other countries * | 77,547 | 172,173 | 169 | - | - | - | 9,953 | 13 | 2 | 9,968 | **28.11%** | 0.00% | 0.00% |
| **Total** | **168,667** | **920,453** | **363** | **1,756** | **509** | **-** | **35,290** | **169** | **2** | **35,461** | **100.00%** | **0.026%** | **0.369%** |

**For which no countercyclical buffer has been defined by the competent authority*
*** The Group's countercyclical capital buffer rate expected at 30/06//2020 is calculated by using the buffer rates per country known to date and applicable no later than in 12 months and the breakdown of capital requirements by country as of 30/06/2019 based on the decisions known to date*

Requirements for the countercyclical buffer calculation (CCYB2):

*(in millions of euros)*

| **Countercyclical buffer requirement** | **30/06/2019** | **31/12/2018** |
|---|---|---|
| Total risk exposure | 552,262 | 541,770 |
| Institution-specific countercyclical buffer | 0.026% | 0.024% |
| **Institution-specific countercyclical buffer** | **144** | **130** |

Summarised :

| **Combined buffer requirement** | **30/06/2019** | **31/12/2018** |
|---|---|---|
| Phased capital conservation buffer | 2.50% | 1.88% |
| Phased systemic buffer | 1.00% | 0.75% |
| Countercyclical buffer | 0.03% | 0.02% |
| **Combined buffer requirement** | **3.53%** | **2.65%** |

The transposition of Basel regulations into European law (CRD 4) introduced a mechanism for distribution restriction that applies to dividends, AT1 instruments and variable remuneration. The objective of the Maximum Distributable Amount (MDA), the maximum amount that a bank can dedicate on distributions, is to restrict distributions where they would result in non-compliance with the combined buffer requirement.

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

| | CET1 SREP requirement | Tier 1 SREP requirement | Overall capital requirement |
|---|---|---|---|
| Pillar 1 minimum requirement | 4.50% | 6.00% | 8.00% |
| Pillar 2 requirement (P2R) | 1.50% | 1.50% | 1.50% |
| Capital Conservation buffer | 2.50% | 2.50% | 2.50% |
| G-SIB buffer | 1.00% | 1.00% | 1.00% |
| Countercyclical buffer | 0.03% | 0.03% | 0.03% |
| **SREP requirement (a)** | **9.53%** | **11.03%** | **13.03%** |
| | | | |
| **30/06/19 Phased-in solvency ratios (b)** | **15.4%** | **16.8%** | **19.5%** |
| Distance to SREP requirement (b-a) | 587bp | 580bp | 649bp |
| **Distance to MDA trigger threshold** | | **580 bp (€32bn)** | |

At 30 June 2019, Crédit Agricole Group posted a buffer of 580 basis points above the MDA trigger, i.e. approximatively €32 billion in CET1 capital.

## OVERALL CAPITAL REQUIREMENT

Finally, after taking into account the requirements under Pillar 1, those under Pillar 2 and the combined buffer requirement, the SREP OCR (overall capital requirement) is as follows:

| SREP own funds requirement | 30/06/2019 | 31/12/2018 |
|---|---|---|
| Pillar 1 minimum CET1 requirement | 4.50% | 4.50% |
| Additional Pillar 2 requirement (P2R) | 1.50% | 1.50% |
| Combined buffer requirement | 3.53% | 2.65% |
| **CET1 requirement** | **9.53%** | **8.65%** |
| AT1 | 1.50% | 1.50% |
| Tier 2 | 2.00% | 2.00% |
| **Overall capital requirement** | **13.03%** | **12.15%** |

As of 30 June 2019, Crédit Agricole Group must therefore comply with a minimum CET1 ratio of 9.53%. This level includes the requirements under Pillar 1, Pillar 2 P2R, the capital conservation buffer, the G-SII buffer and the countercyclical buffer (based on the decisions known to date).

The SREP notification received by Crédit Agricole Group in February 2019 confirmed these requirements.

## PILLAR 2 ADJUSTMENTS

The following tables and items take into account adjustments made as part of Pillar 2 in accordance with the request of the European Central Bank; these currently only relate to the prudential deduction of irrevocable payment commitments relating to the Single Resolution Fund (SRF) and the Deposit and Resolution Guarantee Fund (FGDR).

As such, compared to the regulatory declarations made under Pillar 1, an additional deduction of €817 million was made on CET1; consequently, the risk-weighted assets were adjusted downwards by €347 million as at 30 June 2019.

### 1.5.2. Summary table of the solvency ratios

All the tables and remarks below include the net income for the period.

## CREDIT AGRICOLE GROUP SOLVENCY RATIOS

| *(in millions of euros)* | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|
| | Phased-in | Fully loaded | Phased-in | Fully loaded |
| Common equity tier 1 (CET1) | 85,012 | 85,012 | 80,999 | 80,999 |
| Tier 1 capital | 92,930 | 89,625 | 87,772 | 86,008 |
| Total capital | 107,777 | 104,192 | 101,309 | 99,201 |
| Total risk weighted assets | 552,262 | 552,262 | 541,770 | 541,770 |
| **CET 1 RATIO** | **15.4%** | **15.4%** | **15.0%** | **15.0%** |
| **TIER 1 RATIO** | **16.8%** | **16.2%** | **16.2%** | **15.9%** |
| **TOTAL CAPITAL RATIO** | **19.5%** | **18.9%** | **18.7%** | **18.3%** |

The applicable minimum requirements are met. At the end of june 2019, the CET1 ratio of Crédit Agricole Group was 15.4%.

Crédit Agricole S.A., as the central body of Crédit Agricole Group, fully benefits from the internal legal solidarity mechanism as well as internal flexibility on capital circulation within the very strongly capitalised Crédit Agricole Group.

## REGIONAL BANKS SOLVENCY RATIOS

2019 first-half retained earnings is not included in 30 june 2019 own funds.

| *(in millions of euros)* | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|
| | Phased-in | Fully loaded | Phased-in | Fully loaded |
| **COMMON EQUITY TIER 1 CAPITAL** | **53,340** | **53,338** | **53,055** | **53,042** |
| *Additional Tier 1* | 12 | 12 | - | - |
| **TIER 1** | **53,352** | **53,350** | **53,055** | **53,042** |
| *Tier 2* | 1,060 | 960 | 926 | 778 |
| **TOTAL CAPITAL** | **54,412** | **54,310** | **53,981** | **53,820** |
| Credit risk | 243,786 | 243,786 | 249,703 | 249,703 |
| Market risk | 269 | 269 | 256 | 256 |
| Operational risk | 18,657 | 18,657 | 18,720 | 18,720 |
| **RISK WEIGHTED ASSETS** | **262,712** | **262,712** | **268,679** | **268,679** |
| **CET1 SOLVENCY RATIO** | **20.3%** | **20.3%** | **19.7%** | **19.7%** |
| **TIER 1 SOLVENCY RATIO** | **20.3%** | **20.3%** | **19.7%** | **19.7%** |
| **TOTAL SOLVENCY RATIO** | **20.7%** | **20.7%** | **20.1%** | **20.0%** |

*(1) Total of 38 Regional banks (excluding Caisse régionale de Corse)*

Regional Banks' (except Corse) CET1 solvency ratio (fully loaded) increased by 0.6 percentage point and stood at 20.3%, well above Pillar 1 minimum requirements (i.e. 7% without taking into account the countercyclical buffer for CET1 ratio and 10.5% without the countercyclical buffer for the total capital ratio).

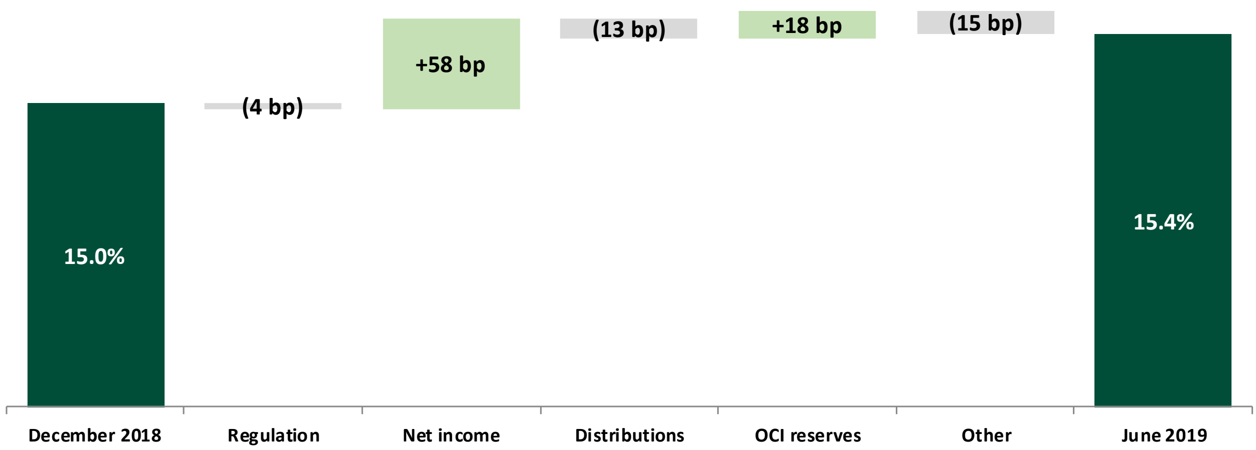
Common Equity Tier 1 capital « CET1 » increased by €0.3 billion on the first half of 2019, thanks to issuances of mutual shares. Total capital on a fully loaded basis raised by €0.5 billion.

Risk weighted assets decreased by €6.0 billion, thanks to an update of the credit risk model leading to a €11.3 billion saving, whereas the growth in activity continues to accelerate.

Figures presented above do not include prudential deductions relating to the irrevocable payment commitments of the Regional Banks under the Single Resolution Fund and the Deposit and Resolution Guarantee Fund for €0.5 billion. After taking them into account under Pillar 2, the CET1 solvency ratio stood at 20.1%.

We reiterate that the Regional Banks have issued their joint and several guarantee for the benefit of third-party creditors of Crédit Agricole S.A. for up to the total of their capital and reserves in the event of an asset shortfall at Crédit Agricole S.A. identified in the course of its bankruptcy or dissolution. The guarantee agreement was renewed in 2017. Moreover, Crédit Agricole S.A., in its capacity of Central Organisation, guarantees the solvency and liquidity of the Regional Banks. Consequently, international rating agencies give identical ratings to the issuance programmes of Crédit Agricole S.A. and the rated Regional Banks.

### 1.5.3. Change in CET1 ratio




Regulation includes only IFRS 16 on rental contracts which has been applicable since 1 January 2019.

The CET1 ratio increased by 0.4 percentage point over the first half, in particular as a result of the generation of 45 bps of retained earnings.

Unrealised capital gain and losses in securities portfolios increased in a favourable market environment (lower interest rates combined with an increase in equity markets).

The item *Other* includes in particular the development of business lines (-38 bps) and the effect of the completion of the Agos/Banco BPM transaction (-6 bps).

## 1.6. Definition of capital

### 1.6.1. Tier 1 capital (*Tier 1*)

This includes Common Equity Tier 1 (CET1) and Additional Tier 1 capital (AT1):

COMMON EQUITY TIER 1 (CET1)

This includes:

- share capital;
- reserves, including share premiums, retained earnings, income net of tax after dividend payments as well as accumulated other comprehensive income, including unrealised capital gains and losses on financial assets held to collect and sell purposes and conversion differences;
- non-controlling interests, which are partially derecognised, or even excluded, depending on whether or not the subsidiary is an eligible credit institution; this partial derecognition corresponds to the excess of the amount of capital required to cover the subsidiary's capital requirements; it applies to each tier of capital;
- deductions, which mainly include the following items:
  - CET1 instruments under the liquidity contract and buyback programmes,
  - mutual shares awaiting redemption,
  - intangible assets, including start-up costs and goodwill,
  - prudent valuation (laid down in the regulatory framework consistent with the adjustment of the amount of assets and liabilities measured at fair value according to a prudential methodology with the purpose of deducting any potential value adjustment),
  - deduction of deferred tax assets (DTAs) that rely on future profitability arising from tax loss,
  - deduction of negative amounts resulting **from any shortfall of provisions relative to expected losses** ("EL"),
  - deduction from the CET1 instruments held in **equity investments less than or equal to 10% above an exemption threshold of 10%** (minor investments) of CET1 capital; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology),
  - deduction of **deferred tax assets (DTAs)** that **rely on future profitability arising from temporary differences** above an exemption threshold of 17.65% of CET1 capital; this exemption threshold, applied after application of an initial exemption threshold of 10% of CET1, is common to the non-deducted portion of CET1 instruments held in significant financial stakes (over 10%); items not deducted are included in risk-weighted assets (250% weighting),
  - deduction of CET1 instruments held in **equity investments over 10%** (significant investments) above an exemption threshold of 17.65% of CET1 capital; this exemption threshold, applied after application of an initial exemption threshold of 10% of CET1, is common to the non-deducted portion of the deferred tax assets that rely on future profitability arising from temporary differences; items not deducted are included in risk-weighted assets (250% weighting).
  - adjustments requested by the supervisor with regard to Pillar 2 (irrevocable payment commitments relating to the Single Resolution Fund and to the Deposit and Resolution Guarantee Fund).

The CRR 2 Regulation adds eligibility criteria; in the case where instruments issued by an institution established in the European Union are subject to third country law, these must include a bail-in clause in order to be fully eligible. These provisions apply to each category of capital instruments (CET1, AT1, Tier *2*).

## ADDITIONAL TIER 1 CAPITAL (AT1)

**Additional Tier 1 capital eligible on a fully loaded basis under Basel 3**

This includes:

- additional category 1 (Additional Tier 1 or AT1) eligible under Basel 3, which consists of undated debt instruments without any redemption incentive or obligation (in particular step-up features).

  AT1 instruments are subject to a bail-in mechanism triggered when the CET1 ratio is below a threshold that must be set at no lower than 5.125%. Instruments may be converted into equity or suffer a reduction in their nominal value. Payments must be totally flexible: no automatic remuneration mechanisms and/or suspension of coupon payments at the issuer's discretion are permitted.

  The AT1 instruments eligible for CRR n°575/2013 modified by CRR n°2019/876 (CRR 2) include two loss absorption mechanisms that are triggered when at least one of these two conditions is met:

- Crédit Agricole S.A. Group's CET1 ratio drops below 5.125%,
- Crédit Agricole Group's CET1 ratio drops below 7%.

  At 30 June 2019, the CET1 ratios of Crédit Agricole S.A. and of Crédit Agricole Group were 11.6% and 15.4% respectively. Thus, they represent capital buffers of €20.8 billion for the threshold of Crédit Agricole S.A. and €46.4 billion for the threshold of Crédit Agricole Group relative to loss absorption thresholds.

  At 30 June 2019, there were no applicable restrictions on the payment of coupons.

  On the same date, the distributable items of Crédit Agricole S.A. totalled €40.4 billion, including €28.0 billion in distributable reserves and €12.4 billion in share premiums;

- direct deductions of AT1 instruments (including market making);
- deductions of investments in financial-sector entities related to this tier;
- AT1 capital components or other deductions (including AT1-eligible non-controlling interests).

**Additional Tier 1 capital eligible on a transitional phased-in basis**

During the transitional phase, the amount of Tier 1 included in the ratios represents:

- additional Tier 1 capital eligible under CRR 2 (AT1);
- additional Tier 1 capital instruments eligible for CRR issued between 1 January 2014 and 27 June 2019;
- a fraction of the non-eligible Tier 1 CRR issued before 1 January 2014, equal to the lower of:
  - the regulatory amount of ineligible Tier 1 instruments on the closing date (after amortisation, any calls, redemptions, etc.),
  - 30% (threshold for 2019) of the Tier 1 stock at 31 December 2012, which stood at €9,313 million, or a maximum recognisable amount of €2,793 million.

The amount of Tier 1 capital exceeding this regulatory threshold is included in phased-in Tier 2, up to the regulatory threshold applicable to Tier 2.

For clarity, the tables for deeply subordinated securities are presented in Pillar 3, available on the website: https://www.credit- agricole.com/en/finance/finance/financial-publications.

### 1.6.2. Tier 2 Capital (*Tier 2*)

This includes:

- subordinated debt instruments, which must have a minimum maturity of five years; they must not carry any early repayment incentives; these instruments are subject to a haircut during the five-year period prior to their maturity date;
- grandfathering as presented for the phased-in AT1 debt above;
- directly held Tier 2 instruments (including market making);
- the surplus provisions relative to expected eligible losses determined in accordance with the internal ratings approach, limited to 0.6% of risk-weighted assets under IRB.
- deductions of investments in financial-sector entities related to this tier, predominantly in the insurance sector (since most subordinated banking receivables are not eligible);
- any deductions for holding eligible liability instruments issued by G-SII (to avoid double counting of commitments for the purposes of the TLAC ratio requirement, G-SII must deduct their holdings of eligible liability instruments issued by other G-SII; these holdings must be deducted first from the institution's eligible liabilities and then, to the extent that they are not in sufficient quantity, from Tier 2 capital);
- Tier 2 capital components or other deductions (including Tier 2 eligible non-controlling interests).

The amount of Tier 2 used in non-phased ratios corresponds to CRR n° 575/2013 (modified by CRR n° 2019/876) eligible Tier 2 capital instruments.

During the transitional phase, the amount of Tier 2 included in the ratios corresponds to the sum of:

- CRR 2 eligible Tier 2;
- CRR eligible Tier 2 capital issued between 1 January 2014 and 27 June 2019;
- a part of the ineligible CRR Tier 2 issued before 1 January 2014, equal to the lowest of:
  - regulatory ineligible Tier 2 securities at the closing date and, as applicable, the remainder of Tier 1 securities exceeding the 30% threshold (threshold for 2019) of ineligible Tier 1 securities,
  - 30% (threshold for 2019) of the CRR ineligible Tier 2 stock at 31 December 2012; the CRR ineligible Tier 2 stock at 31 December 2012 stood at €4,704 million, or a maximum recognisable amount of €1,411 million.

For clarity, the tables of undated subordinated debt, participating securities and subordinated notes redeemable at 30 June 2019 are presented in Pillar 3, available on the website: https://www.credit-agricole.com/en/finance/finance/financial-publications.

For the first time as at 30 June 2019, the eligible liability instruments for the TLAC ratio (senior non-preferred debt securities) will be added to these tables.

### 1.6.3. Transitional implementation

To facilitate compliance by credit institutions with the CRR 2/CRD 4, less stringent transitional provisions have been provided for, notably with the progressive introduction of new prudential treatment of capital components.

All these transitional provisions ended on 1 January 2018, with the exception of those concerning hybrid debt instruments, which will end on 1 January 2022.

Hybrid debt instruments that were eligible as capital in Basel 2 and are no longer eligible as capital following the entry into force of the new regulation, may in certain conditions be eligible under the grandfathering clause; all instruments issued after 31 December 2011 in non-compliance with the CRR regulation were excluded after 1 January 2014; instruments whose date of issue is prior to that may in some conditions be grandfathered. In accordance with this clause, these instruments are gradually excluded over a period of eight years, with a reduction of 10% per annum. In 2014, 80% of the total stock declared on 31 December 2012 was recognised, then 70% in 2015, and so on. The unrecognised part can be included in the lower capital category (from AT1 to Tier 2, for example) if it meets the corresponding criteria.

CRR 2 has come to complement these provisions by introducing a grandfathering clause: non eligible instruments issued between 1 January 2014 and 27 June 2019 remain eligible under phase-in until 28 June 2025.

### 1.6.4. Simplified regulatory capital at 30 June 2019

The following table shows the regulatory capital at 30 June 2019 (simplified version). To facilitate its reading, the full table of the composition of capital is presented under Pillar 3, available on our website at https://www.credit-agricole.com/en/finance/finance/financial-publications.

| *(in millions of euros)* | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|
| | Phased-in | Fully loaded | Phased-in | Fully loaded |
| Capital and reserves Group share(1) | 104,223 | 104,223 | 100,042 | 100,042 |
| (+) Eligible minority interests(1) | 2,814 | 2,814 | 2,668 | 2,668 |
| *(-) Prudent valuation* | (1,463) | (1,463) | (1,657) | (1,657) |
| (-) Deductions of goodwill and other intangible assets | (19,026) | (19,026) | (18,614) | (18,614) |
| (-) Deferred tax assets that rely on future profitability not arising from temporary differences | (166) | (166) | (203) | (203) |
| (-) Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach and EI equity | (422) | (422) | (393) | (393) |
| (-) Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences(2) | - | - | - | - |
| Other CET1 components | (948) | (948) | (844) | (844) |
| **COMMON EQUITY TIER 1 (CET1)** | **85,012** | **85,012** | **80,999** | **80,999** |
| Equity instruments eligible as AT1 capital | 4,841 | 4,841 | 5,260 | 5,260 |
| Ineligible AT1 capital instruments qualifying under grandfathering clause | 3,305 | - | 1,763 | - |
| Tier 1 or Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 1 capital | (107) | (107) | (123) | (123) |
| Other Tier 1 components | (121) | (121) | (127) | (128) |
| **ADDITIONAL TIER 1 CAPITAL** | **7,918** | **4,613** | **6,773** | **5,009** |
| **TIER 1 CAPITAL** | **92,930** | **89,625** | **87,772** | **86,008** |
| Equity instruments eligible as Tier 2 capital | 15,837 | 15,837 | 14,545 | 14,545 |
| Ineligible equity instruments under grandfathering clause | 280 | - | 344 | - |
| Surplus provisions relative to expected losses eligible under the internal ratings- based approach (3) | 1,541 | 1,541 | 1,526 | 1,526 |
| Tier 2 instruments of entities operating mainly in the insurance sector in which the institution has a significant investment deducted from Tier 2 capital | (2,802) | (2,802) | (2,715) | (2,715) |
| Other Tier 2 components | (9) | (9) | (163) | (163) |
| **TIER 2 CAPITAL** | **14,847** | **14,567** | **13,537** | **13,193** |
| **TOTAL CAPITAL** | **107,777** | **104,192** | **101,309** | **99,201** |
| **TOTAL RISK WEIGHTED ASSETS** | **552,262** | **552,262** | **541,770** | **541,770** |
| **CET1 ratio** | **15.4%** | **15.4%** | **15.0%** | **15.0%** |
| **Tier 1 Ratio** | **16.8%** | **16.2%** | **16.2%** | **15.9%** |
| **Total capital ratio** | **19.5%** | **18.9%** | **18.7%** | **18.3%** |

*(1) This line is detailed in the table below "Reconciliation of accounting and regulatory capital".*

*(2) Financial-sector CET1 instruments in which the institution holds a significant stake account for €4,074 million, and the deferred taxes that rely on future profitability arising from temporary differences amount to €1,104 million on a fully loaded basis as of the 30/06/2019.*

*(3) The transfer to Tier 2 of the surplus provisions relative to eligible expected losses determined in accordance with the infernal ratings-based approach is limited to 0,6% of risk-weighted to assets under IRB.*

**The Common Equity Tier 1 (CET1) capital** stood at €85.0 billion at 30 June 2019 and shows an increase of €4,0 billion compared to the end of the financial year 2018.

Details of changes are shown under detailed ratios categories:

- capital and reserves increased to €104.2 billion, up €4.2 billion compared to year-end 2018, mainly stemming from the prudential result retained for €2.7 billion, the positive impact of unrealised capital gains and losses, up €1.2 billion and the issuance of mutual shares by both Regional and Local banks for €0.4 billion. On the other hand, the AT1 coupons weighed on the CET1 for €0.2 billion;
- non-controlling interests are €2.8 billion, up €0.1 billion.
- the deduction for prudent valuation amounted to €1.5 billion, a decrease of €0.2 billion;
- deductions of goodwill and other intangible assets amounted to €19 billion, up €0.4 billion, mainly stemming from the acquisition and absorption of ProFamily by Agos;
- deferred tax assets (DTA) which are dependent on future profitability related to tax loss carryforwards amounted to €0.2 billion, stable compared with 31 December 2018;
- the provision deficit in relation to the *expected loss* on IRB exposures amounted to €0.4 billion, stable compared with 31 December 2018;
- CET1 instruments held in financial investments of more than 10% decreased by €0.1 billion to €4.1 billion; deferred tax assets (DTA) dependent on future profits and resulting from temporary differences amounted to €1.1 billion, a decrease of €0.1 billion compared to 31 December 2018; these two elements are subject to the calculation of an exemption threshold and are treated as risk-weighted assets and weighted at 250%; overall, the corresponding deduction in capital was zero at 30 June 2019 (as was the case at 31 December 2018);
- deductions applicable to CET1 capital amounted to €0.9 billion, up €0.1 billion from end-2018, as a result of Crédit Agricole Group's irrevocable commitments with respect to the Single Resolution Fund and the Deposit and Resolution Guarantee Fund.

**Fully loaded Tier 1 capital** were €89.6 billion, or an increase of €3.6 billion compared to those of 31 December 2018. In addition to the increase in CET1 capital of €4.0 billion, this change is also due to a €0.4 billion decrease in capital instruments eligible as AT1 capital.

These were €4.8 billion. The entry into force of CRR 2 on 27 June 2019 resulted in the disqualification of an AT1 instrument from fully-loaded perspective (- €1.6 billion). This was partially offset by the issuance of an AT1 instrument during the period (+€1.1 billion);

The other elements of Tier 1 mainly include the deduction for the buyback limit and the market-making of Tier 1 instruments, which were €0.1 billion, and the Tier 1 impact of non-controlling interests of instruments issued by subsidiaries of -€0.2 billion.

**Phased-in Tier 1** capital amounted to €92.9 billion, up €5.2 billion from 31 December 2018. Indeed, the reclassification of an AT1 instrument for €1.6 billion following the entry into force of CRR 2 does not have an impact on phased equity, since it increases the stock of grandfathered debt.

As a result, non-eligible AT1 capital instruments with a grandfathering clause increased by €1.5 billion.

In addition, the total amount of securities benefiting from a "grandfathering" clause defined by CRR remains below the grandfathering, which makes it possible to retain, in addition to the instruments eligible for CRR, an amount of debt corresponding to a maximum of 30% of the stock at 31 December 2012.

**Fully loaded Tier 2** capital amounted to €14.6 billion, up €1.4 billion from 31 December 2018. This change was attributable to:

- capital instruments eligible as Tier 2 capital amounted to €15.8 billion, an increase of €1.3 billion compared to 31 December 2018 resulting from a net difference between the amount of issues made during the period of €1.8 billion, and in the opposite direction the impact of prudential haircuts and repayments;
- the surplus provision relative to expected losses eligible under the internal ratings-based approach was stable compared with 31 December 2018;
- subordinated loans and receivables from credit institutions and insurance companies, all representative of *Tier 2* instruments, were deducted in full from *Tier 2* in the amount of €2.8 billion on a fully loaded basis, compared with €2.7 billion at 31 December 2018;
- the other *Tier 2* items include a deduction from the *Tier 2* instrument repurchase limit of more than €0.2 billion and, a low impact of minority interests on instruments issued by subsidiaries.

**Phased-in Tier 2 capital** was €14.8 billion, up €1.3 billion from 31 December 2018. Fully loaded and phased-in amounts are identical, except for non-eligible debt:

- the amount of non-eligible instruments benefiting from the grandfathering amounts to €0.3 billion, down €0.1 billion compared to 31 December 2018;

**In all, fully loaded total capital** at 30 June 2019 stood at €104.2 billion, up €5.0 billion from 31 December 2018.

At €107.8 billion, **phased-in total capital** was €6.5 billion greater than at 31 December 2018. This regulatory capital does not take into account the non-preferred senior debt issues, discussed under "Resolution Ratios" below.

### 1.6.5. Change in regulatory capital

| *(in millions of euros)* | **Phased-in**<br>**30/06/2019 vs 31/12/2018** |
|---|---|
| **Common Equity Tier 1 capital at 31/12/2018** | **80,999** |
| Capital increase | 422 |
| Accounting attributable net income/loss for the year before dividend | 2,917 |
| Expected dividend | (489) |
| Unrealised gains and losses on the portfolio held for collection and sale purposes | 1,243 |
| Foreign currency impact | 93 |
| Eligible minority interests | 146 |
| Prudent valuation | 194 |
| Goodwill and other intagible assets | (412) |
| Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach and EI equity | (29) |
| Amount exceeding the exemption thresholds | - |
| Other CET1 components | (72) |
| **COMMON EQUITY TIER 1 CAPITAL AT 30/06/2019** | **85,012** |
| **Additional Tier 1 capital at 31/12/2018** | **6,773** |
| Issuances | **1,113** |
| Redemptions and foreign currency impact on the debt stock(1) | 10 |
| Regulatory adjustments | 22 |
| **ADDITIONAL TIER 1 CAPITAL AT 30/06/2019** | **7,918** |
| **TIER 1 CAPITAL AT 30/06/2019** | **92,930** |
| **Tier 2 capital at 31/12/2018** | **13,537** |
| Capital increase (issuances …) | 1,831 |
| Redemptions and foreign currency impact on the debt stock(1)(2) | (603) |
| Regulatory adjustments | 82 |
| **TIER 2 CAPITAL AT 30/06/2019** | **14,847** |
| **TOTAL CAPITAL AT 30/06/2019** | **107,777** |

*(1) including the impact, if any, of the applicable cap to these instruments*

*(2) Tier 2 instruments are subject to a haircut during the 5 years prior to their maturity date*

### 1.6.6. Reconciliation of accounting and regulatory capital

| *(in millions of euros)* | 30/06/2019 | 31/12/2018 |
|---|---|---|
| **Equity, Group share (carrying amount)(1)** | **111,711** | **106,717** |
| Expected dividend | (489) | (1,085) |
| Filtered unrealised gains/(losses) on change in own credit risk on structured products | 152 | 114 |
| Filtered unrealised gains/(losses) on change in own credit risk on derivatives | (21) | (40) |
| Filtered unrealised gains/(losses) on cash flow hedges | (620) | (296) |
| AT1 instruments included in equity (carrying amount) | (6,094) | (5,011) |
| Other regulatory adjustments | (416) | (357) |
| **Capital and reserves Group share(2)** | **104,223** | **100,042** |
| Minority interests (carrying amount)(1) | 5,275 | 5,471 |
| (-) items not recognised under regulatory framework(3) | (2,461) | (2,803) |
| Eligible minority interests(2) | 2,814 | 2,668 |
| (-) Prudent valuation | (1,463) | (1,657) |
| Deductions of goodwill and other intangible assets | (19,026) | (18,614) |
| Deferred tax assets that rely on future profitability not arising from temporary differences | (166) | (203) |
| Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach and El equity | (422) | (393) |
| Amount exceeding the exemption threshold for CET1 instruments of financial stakes in which the institution owns a significant holding and of the deductible deferred tax assets that rely on future profitability arising from temporary differences | - | - |
| Other CET1 components | (948) | (844) |
| **TOTAL CET1** | **85,012** | **80,999** |

*(1) Information covered by the Statuary Auditors' Opinion.*

*(2) This item can be found in the hereabove table of simplified prudential equity capital.*

*(3) Of which hybrid securities issued by Crédit Agricole Assurances.*

## 1.7. Other ratios

### 1.7.1. Conglomerate ratio

As at 30 June 2019, Crédit Agricole Group’s financial conglomerate ratio, which now includes the Solvency 2 requirement relating to the equity interest in Crédit Agricole Assurances, is 148 %, a level well above the minimum 100% requirement.

The conglomerate ratio is defined as the ratio of the phased-in total capital of the financial conglomerate to the cumulative total of the bank’s capital requirements and insurance company’s capital requirements:

- it includes all banking and insurance requirements, restating the share of intragroup transactions related to equity investments from both the numerator and the denominator;
- the insurance subsidiary’s capital raised outside of the scope of consolidation is included in the conglomerate’s capital.

$$\textbf{Financial conglomerate ratio} = \frac{\text{Total capital of the conglomerate}}{\text{Banking requirements} + \text{Insurance requirements}} > 100\ \%$$

While the bank solvency ratio treats insurance as an investment, the “conglomerate” view is the most relevant for a bancassurance group, because by combining banks and insurance, it corresponds to the Group's natural scope. In the conglomerate ratio, these two activities are integrated for real risks carried by each, thus resulting in an overall economic vision.

### 1.7.2. Leverage ratio

The objective of the leverage ratio is to help preserve financial stability by acting as a safety net to complement risk-based capital requirements and by limiting the accumulation of excessive leverage in times of economic recovery. It was defined by the Basel Committee in the context of the Basel 3 agreements and transposed into European law via Article 429 CRR, amended by Delegated Act 62/2015 of 10 October 2014 and published in the Official Journal of the European Union on 18 January 2015.

The leverage ratio is defined as the Tier 1 capital divided by the exposure measure, i.e. balance sheet and off-balance-sheet assets after certain restatements of derivatives, securities financing transactions, items deducted from the numerator, and off-balance-sheet items.

Since the publication of European Regulation CRR 2 in the Official Journal of the European Union on 7 June 2019, the leverage ratio has become a minimum Pillar 1 requirement applicable as from 28 June 2021:

- The minimum leverage ratio requirement will be 3%;
- From 1 January 2022, a leverage ratio buffer, defined as half of the entity's systemic buffer, will be added to this level for global systemically important institutions (G-SII), i.e. for Crédit Agricole Group;
- Finally, failure to comply with the leverage ratio buffer requirement will result in a distribution restriction and the calculation of a maximum distributable amount (L-MDA).

As of 1 January 2015 publication of the lever ratio is mandatory at least once a year; institutions can choose to publish a fully loaded ratio or a phased-in ratio. If the institution decides to change its publication choice, at the time of first publication it must reconcile the data for all of the ratios previously published with the data for the new ratios selected for publication.

At the beginning of 2019, Crédit Agricole Group received authorisation from the ECB (with application retroactive back to 2016) to exempt its exposures related to the centralisation of deposits at *Caisse des Dépôts et Consignations* (CDC) from the calculation of the leverage ratio.

At 30 June 2019, the leverage ratio of Crédit Agricole Group was 5.7% on a phased-in *Tier* 1 basis. The intra-quarter phased-in leverage ratio for Crédit Agricole Group, which refers to the average end-of-month exposures for the first two months of the second quarter, reached 5.4%.

## LEVERAGE RATIO – COMMON DISCLOSURE (LRCOM)

(in millions of euros)

| CRR Leverage ratio exposures (in euro millions) | | 30/06/2019 | 31/12/2018 |
|---|---|---|---|
| **On-balance sheet exposures (excluding derivatives and SFTs)** | | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) | 1,330,749 | 1,277,137 |
| 2 | (Asset amounts deducted in determining Tier 1 capital) | (23,163) | (22,567) |
| 3 | **Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)** | **1,307,586** | **1,254,571** |
| **Derivative exposures** | | | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 18,078 | 15,767 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method) | 35,267 | 28,264 |
| EU-5a | Exposure determined under Original Exposure Method | - | - |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | 5,919 | 6,133 |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | (20,107) | (18,101) |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | (3,714) | (984) |
| 9 | Adjusted effective notional amount of written credit derivatives | 12,543 | 12,699 |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | (7,499) | (8,920) |
| **11** | **Total derivative exposures (sum of lines 4 to 10)** | **40,486** | **34,859** |
| **SFT exposures** | | | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | 237,445 | 199,299 |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | (93,547) | (50,515) |
| 14 | Counterparty credit risk exposure for SFT assets | 5,685 | 6,303 |
| EU-14a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013 | - | - |
| 15 | Agent transaction exposures | - | - |
| EU-15a | (Exempted CCP leg of client-cleared SFT exposure) | - | - |
| **16** | **Total securities financing transaction exposures (sum of lines 12 to 15a)** | **149,583** | **155,087** |
| **Other off-balance sheet exposures** | | | |
| 17 | Off-balance sheet exposures at gross notional amount | 356,791 | 326,788 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | (155,783) | (154,827) |
| **19** | **Other off-balance sheet exposures (sum of lines 17 to 18)** | **201,009** | **171,961** |
| **Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)** | | | |
| EU-19a | (Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet)) | - | - |
| EU-19b | (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)) | (53,947) | - |
| **Capital and total exposures** | | | |
| **20** | **Tier 1 capital** | **92,930** | **87,772** |
| **21** | **Total leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)** | **1,644,716** | **1,616,477** |
| Leverage ratio | | | |
| **22** | **Leverage ratio** | **5.65%** | **5.43%** |
| **Choice on transitional arrangements and amount of derecognised fiduciary items** | | | |
| EU-23 | Choice on transitional arrangements for the definition of the capital measure | Transitional | Transitional |
| EU-24 | Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013 | - | - |

### SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES (LRSUM)

(in millions of euros)

| | Applicable Amount | 30/06/2019 | 31/12/2018 |
|---|---|---|---|
| 1 | Total assets as per published financial statements | 1,954,066 | 1,854,763 |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation | (367,778) | (342,670) |
| 3 | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013) | - | - |
| 4 | Adjustments for derivative financial instruments | (91,211) | (72,317) |
| 5 | Adjustments for securities financing transactions (SFTs) | 25,740 | 27,307 |
| 6 | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures) | 201,009 | 171,961 |
| EU-6a | (Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013) | - | - |
| EU-6b | (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013) | (53,947) | - |
| 7 | Other adjustments | (23,163) | (22,567) |
| **8** | **LEVERAGE RATIO TOTAL EXPOSURE MEASURE** | **1,644,716** | **1,616,477** |

### BREAKDOWN OF BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES) (LRSPL)

(in millions of euros)

| CRR leverage ratio exposures | | 30/06/2019 | 31/12/2018 |
|---|---|---|---|
| EU-1 | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: | 1,276,801 | 1,277,137 |
| EU-2 | Trading book exposures | 8,182 | 7,910 |
| EU-3 | Banking book exposures, of which: | 1,268,619 | 1,269,227 |
| EU-4 | Covered bonds | 4,293 | 3,850 |
| EU-5 | Exposures treated as sovereigns | 174,496 | 230,574 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns | 34,704 | 34,276 |
| EU-7 | Institutions | 49,476 | 47,114 |
| EU-8 | Secured by mortgages of immovable properties | 14,044 | 13,805 |
| EU-9 | Retail exposures | 578,444 | 560,521 |
| EU-10 | Corporate | 270,536 | 259,392 |
| EU-11 | Exposures in default | 20,447 | 20,334 |
| EU-12 | Other exposures (eg equity, securitisations, and other non-credit obligation assets) | 122,179 | 99,361 |

The qualitative elements (LRQua) required by implementation regulation (EU) 2016/200 of 15 February 2016 are as follows:

#### DESCRIPTION OF THE PROCEDURES USED TO MANAGE THE RISK OF EXCESSIVE LEVERAGE

The leverage ratio is not sensitive to risk factors and, on this basis, it is considered to be a measurement that supplements the solvency (solvency ratio/resolution ratio) and liquidity risk management system already limiting the size of the balance sheet. Within the framework of monitoring excessive leverage, controls at Group level set limits on the size of the balance sheet for some businesses that use few risk-weighted assets.

### DESCRIPTION OF FACTORS WHICH HAD AN IMPACT ON THE LEVERAGE RATIO DURING THE PERIOD TO WHICH THE LEVERAGE RATIO REPORTED BY THE INSTITUTION RELATES

The leverage ratio increased 22 bps over the first half of the year. This increase is explained in particular by the growth in Tier 1 capital over the period (+€5.2 billion over the first half, or 5.9% growth), partially offset by the growth in activity (growth in leverage exposure of +€28.2 billion over the period, or 1.7%). Pro forma of the deduction of CDC deposits, the leverage ratio at the end of 2018 was 5.6%: adjusted for this effect, the increase in the ratio over the first half of 2019 was therefore less marked (+5 bps between the end of 2018 and June 2019).

## 1.7.3. Resolution ratios

### MREL RATIO

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

The resolution authority believes that the Single Point of Entry - SPE resolution strategy is the most appropriate for Crédit Agricole Group. Pursuant to this strategy, Crédit Agricole S.A., in its capacity as the Central Body of the Crédit Agricole Network and the parent company for its subsidiaries, would be the “single point of entry” if a resolution procedure were commenced in respect of Crédit Agricole Group.

The MREL ratio corresponds to the minimum requirement of own funds and eligible liabilities in order to absorb losses in the event of resolution. It is calculated as the amount of own funds and eligible liabilities expressed as a percentage of the institution’s total liabilities and capital, after certain regulatory adjustments, Total Liabilities and Own Funds, TLOF or expressed as Risk Weighted Assets, RWA.

Regulatory capital, subordinated notes with a residual maturity of more than one year (including prudentially ineligible instruments and the amortised portion of Tier 2), non-preferred senior debts with a residual maturity of more than one year and certain preferred senior debts with residual maturities of more than one year qualify for inclusion in the numerator of the MREL ratio. MREL eligible preferred senior debt is subject to the appreciation of the Single Resolution Board (SRB).

The MREL ratio calibrates an eligible liabilities requirement but does not specify which debt would be called upon to absorb losses in the event of resolution.

In 2018, the Single Resolution Board notified Crédit Agricole Group of its first consolidated MREL requirement, which was already applicable and has been met by the Group since then. This requirement could potentially change when the ratio for the year is set by the SRB and in connection with the changes in the European regulatory framework. The MREL Policy, published by the SRB in January 2019, describes the general framework that will apply to requirements set by the SRB later in 2019, including a subordinated MREL requirement (in which senior debt instruments will generally be excluded, consistent with TLAC standards).

The objective of Crédit Agricole Group is to achieve, by the end of 2022, a subordinated MREL ratio (excluding potentially eligible preferred senior debt) of 24-25% of RWAs and to maintain the subordinated MREL ratio above 8% of the TLOF. This level would enable recourse to the Single Resolution Fund (subject to the decision of the resolution authority) before applying the bail-in to preferred senior debt, creating an additional layer of protection for investors in preferred senior debt.

On 30 June 2019, Crédit Agricole Group has an estimated MREL ratio of ca. 13% of its TLOF and 8.7% excluding potentially eligible senior preferred debt. Expressed as a percentage of risk-weighted assets, Crédit Agricole Group’s estimated MREL ratio stood at around 34% and 22.7% excluding potentially eligible senior preferred debt at end-June 2019.

## TLAC RATIO

The ratio, whose modalities were indicated in a Term Sheet published on 9 November 2015, was established by the Financial Stability Board (FSB) at the request of the G20. The FSB defined the calculation of a ratio aimed at estimating the adequacy of the bail-in and recapitalisation capacities of global systemically important institutions (G-SII). This Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SII have sufficient bail-in and recapitalisation capacity before and during resolution. As a result, the resolution authorities will be able to implement an ordered resolution strategy that minimises impacts on financial stability, ensures the continuity of the G-SIIs' critical economic functions and limits the use of taxpayers' money. It applies to global systemically important financial institutions, and therefore to Crédit Agricole Group.

The elements that could absorb losses consist of equity, subordinated notes and debts to which the resolution authority can apply the bail-in.

The TLAC ratio requirement were transposed into European Union law through CRR 2 and has been applicable since 27 June 2019. As from that date, Crédit Agricole Group must comply with the following requirements at all times:

- TLAC ratio above 16% of risk-weighted assets (RWA), plus – in accordance with CRD 5 – a combined buffer requirement (including, for Crédit Agricole Group, a capital conservation buffer of 2.5%, a G-SII buffer of 1% and the countercyclical buffer). Considering the combined buffer requirement, Crédit Agricole Group will have to adhere to a TLAC ratio of above 19.5% (plus the countercyclical buffer)
- TLAC ratio of above 6% of the Leverage Ratio Exposure (LRE).

As from 1 January 2022, the minimum TLAC ratio requirements will increase to 18% of risk-weighted assets – plus the combined buffer requirement at that date – and 6.75% of the leverage ratio exposure.

| | TLAC requirements at resolution group level - Credit Agricole Group | *30/06/2019 in €m* |
|---|---|---|
| *1* | Total Loss Absorbing Capacity (TLAC) | 125,242 |
| *2* | Total risk-weighted assets (RWA) | 552,262 |
| *3* | **TLAC (as a percentage of risk-weighted assets, RWA)** | **22.7%** |
| *4* | Leverage exposure measure (LRE) | 1,644,716 |
| *5* | **TLAC (as a percentage of leverage exposure, LRE)** | **7.6%** |
| *6a* | Does the subordination exemption in the antepenultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? | No |
| *6b* | Does the subordination exemption in the penultimate paragraph of Section 11 of the FSB TLAC Term Sheet apply? | No |
| *6c* | If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no cap was applied (%) | NA |

As at 30 June 2019, Crédit Agricole Group's TLAC ratio was 22.7% of RWA and 7.6% of leverage exposure, excluding eligible senior preferred debt. It is higher than the respective requirements of 19.5% of RWAs (according to CRR 2/CRD 5, to which must be added the counter-cyclical buffer of 0.03% as at 30 June 2019) and 6% of the leverage exposure, even though it is possible on that date to include up to 2.5% of RWAs as eligible preferred senior debt.

| | | 30/06/2019 in Euro million |
|---|---|---|
| **Regulatory capital elements of TLAC and adjustments** | | |
| *1* | Common Equity Tier capital | 85,012 |
| *2* | Additional Tier capital | 7,918 |
| *3* | **Tier 1 instruments eligible under the TLAC framework** | **92,930** |
| *4* | Tier 2 capital | 14,847 |
| *5* | Amortised portion of Tier 2 instruments where remaining maturity > 1 year | 448 |
| *6* | **Tier 2 instruments eligible under the TLAC framework** | **15,295** |
| *7* | **TLAC arising from regulatory capital** | **108,225** |
| **Non-regulatory capital elements of TLAC** | | |
| *8* | Senior non-preferred debt instruments | 17,017 |
| *9* | Holdings of eligible liabilities instruments of other G-SIIs | 0 |
| *10* | **TLAC arising from non-regulatory capital instruments** | **17,017** |
| *11* | **Total Loss Absorbing Capacity (TLAC)** | **125,242** |
| **Risk-weighted assets and leverage exposure measure for TLAC purposes** | | |
| *12* | **Total risk-weighted assets (RWA)** | **552,262** |
| *13* | **Leverage exposure measure (LRE)** | **1,644,716** |
| **TLAC ratios** | | |
| *14* | **TLAC (as a percentage of risk-weighted assets, RWA)** | **22,7%** |
| *15* | **TLAC (as a percentage of leverage exposure, LRE)** | **7,6%** |

Achievement of the TLAC ratio is supported by a 2019 TLAC debt issuance programme of around €5 to €6 billion. As at 30 June 2019, €5.3 billion were issued; the outstanding amount of non-preferred senior securities of Crédit Agricole Group was €17.0 billion.

As at 30 June 2019, the group's TLAC items, which rank from the most senior to the most junior, include non-preferred senior debt securities, subordinated securities not recognised as regulatory capital, Tier 2 instruments, additional Tier 1 items and CET1 capital items.

All these eligible liability items and their characteristics can be consulted in the file "Main characteristics of regulatory capital instruments and other eligible TLAC instruments", available on the website : https://www.credit-agricole.com/finance/finance/informations-financieres

# 2. ECONOMIC CAPITAL MANAGEMENT

## 2.1 Overall system

In order to assess and permanently maintain adequate capital to cover the risks to which it is (or may be) exposed, the Group supplements the measurement of the regulatory capital (Pillar 1) with measurement of economic capital needs based on the risk identification process and on the valuation using an internal approach (Pillar 2).

The assessment of economic capital need is one of the ICAAP (Internal Capital Adequacy Assessment Process) components, which also covers:

- the stress test programme - in order to introduce a forward-looking view of the impact of more unfavourable scenarios on the Group's risk level and solvency;
- capital requirement management within the Group through capital planning, capital allocation, and profitability management.

The implementation and updating of the ICAAP procedure are the responsibility of each subgroup.

The management of economic capital is developed in accordance with the interpretation of the main regulatory texts:

- the Basel Agreements;
- CRD 4 through its transposition into French regulations by the Decree of 3 November 2014;
- the guidelines of the European Banking Authority; and
- the prudential expectations of the ICAAP and ILAAP and the harmonised collection of information on the subject.

The Group has implemented a measuring system for the need of economic capital covering Crédit Agricole Group, Crédit Agricole S.A. Group and the Group's main French and foreign entities.

## 2.2 Available internal capital

The Group has also defined its available internal capital, an internal view of capital, against which the economic capital need is compared.

Internal capital is defined as part of a conglomerate approach – taking into account the importance of the Group's insurance activities and based on the consideration of TLAC constraints and the principle of going concern.

## 2.3 Economic capital requirement

The need for economic capital quantifies the capital requirements for each of the major risks identified in the annual risk identification process.

The process of identifying major risks aims, in a first step, to identify in the most exhaustive way possible all the risks likely to have an impact on the balance sheet, income statement, prudential ratios or reputation of an entity or the Group and to classify them by category and subcategories, according to a uniform nomenclature for the entire Group. In a second step, the objective is to assess the importance of these risks in a systematic and comprehensive manner in order to identify major risks.

The risk identification procedure combines several sources: an internal analysis based on information gathered from the risk chain and other control functions; and additional external data. It is formalised by each entity and for the Group, coordinated by the risk sector and approved by the Board of Directors.

For each of the major risks identified, the quantification of economic capital need is carried out as follows:

- The risk measures already covered by Pillar 1 are reviewed and, where necessary, completed by economic capital adjustments;
- The risks absent from Pillar 1 are subject to a specific calculation of economic capital need, based on internal approaches;
- Generally, the economic capital need measures are carried out with a calculation horizon of one year, and with a quantile (probability of default occurring) for which the level is set on the basis of the Group's appetite in terms of external rating;
- Lastly, the measurement of economic capital need takes into account, on a prudent basis, the impacts of diversification resulting from the broad spread of business activities within the same Group, including between banking and insurance.

The coherence of all methodologies for measuring economic capital need is ensured by a specific governance within the Group.

The measurement of economic capital needs is supplemented by a projection over the current year, consistent with capital planning forecasts at that date, so that the effects of the main prudential reforms that can be anticipated are incorporated.

All major risks identified during the risk identification process are taken into account when assessing the need for economic capital as at 30 June 2019. The Group notably measures: interest rate risk on the banking book, issuer risk, business and strategic risk, credit risk, and liquidity price risk.

The Group ensures that economic capital need is covered by internal capital. At Crédit Agricole Group level, the internal capital covers almost 160% of the economic capital need as at 30 June 2019.

Crédit Agricole S.A. Group entities subject to the requirement to measure economic capital need within their scope are responsible for doing so in accordance with standards and methodologies defined by the Group. In particular, they must ensure that the measurement system for economic capital need is appropriately organised and governed. Economic capital need determined by the entities is reported in detail to Crédit Agricole S.A.

In addition to the quantitative aspect, the Group's approach relies on a qualitative component that supplements the calculation of need for economic capital with indicators of the business lines' exposure to risk and their permanent controls. The qualitative component meets three objectives:

- evaluation of the risk management system and the control of entities within the scope of deployment along different axes, this assessment is a component of the risk identification system;
- if required, identification and formalising of points for improvement of the risk management and permanent control system, in the form of an action plan formalised by the entity;
- identification of any elements that are not adequately captured in quantitative ICAAP measures.

# 3. COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS

## 3.1 Summary of risk-weighted assets

### 3.1.1 Risk-weighted assets by type of risks (OV1)

The risk-weighted assets in respect of credit risk, market risk and operational risk were € 552.3 billion at 30 June 2019 compared with € 541.8 billion at 31 December 2018.

| | *(in millions of euros)* | RWA | | Minimum capital requirements |
|---|---|---|---|---|
| | | 30/06/2019 | 31/12/2018 | 30/06/2019 |
| **1** | **Credit risk (excluding CCR)** | **449,716** | **440,526** | **35,977** |
| 2 | Of which the standardised approach | 137,025 | 130,004 | 10,962 |
| 3 | Of which the foundation IRB (FIRB) approach | 85,644 | 83,672 | 6,852 |
| 4 | Of which the advanced IRB (AIRB) approach | 158,590 | 163,086 | 12,687 |
| 5 | Of which equity IRB under the simple risk-weighted approach or the IMA | 68,456 | 63,764 | 5,476 |
| **6** | **CCR** | **20,743** | **18,901** | **1,659** |
| 7 | Of which mark to market | 7,085 | 6,292 | 567 |
| 8 | Of which original exposure | - | - | - |
| 9 | Of which the standardised approach | - | - | - |
| 10 | Of which internal model method (IMM) | 9,047 | 8,309 | 724 |
| 11 | Of which risk exposure amount for contributions to the default fund of a CCP | 466 | 291 | 37 |
| 12 | Of which CVA | 4,145 | 4,009 | 332 |
| **13** | **Settlement risk** | **5** | **7** | **-** |
| **14** | **Securitisation exposures in the banking book (after the cap)** | **5,878** | **6,506** | **470** |
| 15 | Of which IRB approach | 679 | 857 | 54 |
| 16 | Of which IRB supervisory formula approach (SFA) | 1,312 | 1,241 | 105 |
| 17 | Of which internal assessment approach (IAA) | 2,790 | 2,856 | 223 |
| 18 | Of which standardised approach | 474 | 1,552 | 38 |
| | Of which new securitisation originated since 01/01/2019 | 623 | | 50 |
| **19** | **Market risk** | **10,505** | **10,869** | **840** |
| 20 | Of which the standardised approach | 5,101 | 4,447 | 408 |
| 21 | Of which IMA | 5,388 | 6,421 | 431 |
| | Of which new securitisation originated since 01/01/2019 | 16 | | 1 |
| **22** | **Large exposures** | **-** | **-** | **-** |
| **23** | **Operational risk** | **56,469** | **55,873** | **4,518** |
| 24 | Of which basic indicator approach | - | - | - |
| 25 | Of which standardised approach | 10,338 | 9,841 | 827 |
| 26 | Of which advanced measurement approach | 46,131 | 46,032 | 3,690 |
| **27** | **Amounts below the thresholds for deduction (subject to 250% risk weight)** | **8,947** | **9,088** | **716** |
| **28** | **Floor adjustment Bâle I** | **-** | **-** | **-** |
| **29** | **Total** | **552,262** | **541,770** | **44,181** |

### 3.1.2 Operating segment information

| 30/06/2019<br>(in millions of euros) | Credit risk | | | | Credit risk | Credit valuation adjustment risk | Operational Risk | Market risk | Total risk-weighted assets |
|---|---|---|---|---|---|---|---|---|---|
| | Stantardised approach | Weighting approach IRB | IRB Approach(1) | Contributions to a CCP default fund | | | | | |
| French retail banking | 39,293 | 16,488 | 162,570 | - | **218,351** | 372 | 24,201 | 128 | **243,052** |
| International retail banking | 35,462 | 917 | 4,396 | 12 | **40,787** | 10 | 4,178 | 326 | **45,301** |
| Asset gathering | 6,322 | 49,521 | 2,208 | - | **58,051** | 452 | 6,062 | 79 | **64,644** |
| Specialised financial services | 36,095 | 1,206 | 17,704 | - | **55,005** | 19 | 3,285 | 3 | **58,312** |
| Large customers | 18,750 | 4,186 | 70,418 | 454 | **93,808** | 3,292 | 18,080 | 7,118 | **122,298** |
| Corporate center | 5,533 | 5,084 | 4,525 | - | **15,142** | - | 663 | 2,850 | **18,655** |
| **TOTAL RISK-WEIGHTED ASSETS** | **141,455** | **77,402** | **261,821** | **466** | **481,144** | **4,145** | **56,469** | **10,504** | **552,262** |

(1) Advanced IRB or Foundation IRB approach depending on business lines.

| 31/12/2018<br>(in millions of euros) | Credit risk | | | | Credit risk | Credit valuation adjustment risk | Operational Risk | Market risk | Total risk-weighted assets |
|---|---|---|---|---|---|---|---|---|---|
| | Stantardised approach | Weighting approach IRB | IRB Approach(1) | Contributions to a CCP default fund | | | | | |
| French retail banking | 37,032 | 16,480 | 168,656 | - | **222,168** | 429 | 24,253 | 45 | **246,895** |
| International retail banking | 33,735 | 816 | 4,017 | 11 | **38,579** | 15 | 3,988 | 324 | **42,906** |
| Asset gathering | 5,557 | 44,934 | 910 | - | **51,401** | 437 | 5,993 | 57 | **57,888** |
| Specialised financial services | 35,121 | 1,104 | 17,015 | - | **53,240** | 19 | 2,935 | 4 | **56,198** |
| Large customers | 19,418 | 4,397 | 67,747 | 280 | **91,842** | 3,110 | 18,064 | 7,895 | **120,911** |
| Corporate center | 4,109 | 5,121 | 4,558 | - | **13,788** | - | 640 | 2,544 | **16,972** |
| **TOTAL RISK-WEIGHTED ASSETS** | **134,972** | **72,852** | **262,903** | **291** | **471,018** | **4,010** | **55,873** | **10,869** | **541,770** |

*(1) Advanced IRB or Foundation IRB approach depending on business lines.*

### 3.1.3 Trends in risk-weighted assets

The table below shows the change in Crédit Agricole Group's risk-weighted assets in the first half 2019:

| (in millions of euros) | 31/12/2018 | Foreign exchange | Organic change and optimisation | Equity-accounted value Insurance | Scope | Method and regulatory changes | Total variation 2019 | 30/06/2019 |
|---|---|---|---|---|---|---|---|---|
| Credit risk | 471,018 | 476 | 14,606 | 4,558 | (787) | (8,727) | 10,126 | 481,144 |
| *of which Equity risk* | *72,852* | - | *1,016* | *4,558* | *(1,024)* | - | *4,550* | *77,402* |
| CVA | 4,010 | - | 135 | - | - | - | 135 | 4,145 |
| Market risk | 10,869 | - | (365) | - | - | - | (365) | 10,504 |
| Operational risk | 55,873 | - | 596 | - | - | - | 596 | 56,469 |
| **TOTAL** | **541,770** | **476** | **14,972** | **4,558** | **(787)** | **(8,727)** | **10,492** | **552,262** |

Risk-weighted assets totalled €552.3 billion on 30 June 2019, up €10.5 billion (+1.9%) due in particular to:

- Growth in business lines, particularly in Retail Banking in France and abroad (+€6.6 billion), in the Large Customers division (+€2 billion) and Specialised Financial Services (+€1.4 billion);

- Methodological and regulatory effects, including the first-time application of IFRS 16 (+€1.9 billion) and the update of Regional Banks' credit risk model (-€11.3 billions) ;
- The €4.6 billion increase in equity-accounted value of the equity stake in insurance companies in a context of lower interest rates that generated an increase in unrealised gain and losses held by insurers;
- A negative scope effect (-€0.8 billion) with the sale of 4.9% of the stake of CACIB in Bank Saudi Fransi, partially compensated by Agos' acquisition of ProFamily Spa.

## 3.2 Credit and counterparty risk

### 3.2.1 General overview of credit and counterparty risk

#### 3.2.1.1 Exposures by type of risk

The table below shows Crédit Agricole Group's exposure to global risk (credit, counterparty, dilution and settlement and delivery) by exposure class for the standardised and internal ratings-based approaches at 30 June 2019 and at 31 December 2018.

The 17 exposure classes under the standardised approach are grouped together to ensure the presentation aligns with the IRB exposures.

**OVERALL RISK EXPOSURE (CREDIT, COUNTERPARTY, DILUTION, SETTLEMENT AND DELIVERY) AT 30 JUNE 2019**

| 30/06/2019 | Standardised | | | | IRB | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| *(in billions of euros)* | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Capital requirement |
| Central governments or central banks | 47.7 | 47.8 | 47.6 | 6.3 | 195.1 | 206.0 | 203.3 | 2.4 | 242.8 | 253.8 | 250.9 | 8.8 | 0.7 |
| Institutions | 44.0 | 58.6 | 56.4 | 8.6 | 106.8 | 108.9 | 104.0 | 16.3 | 150.7 | 167.5 | 160.4 | 24.9 | 2.0 |
| Corporates | 158.9 | 138.7 | 104.6 | 82.0 | 376.2 | 354.8 | 293.8 | 134.3 | 535.1 | 493.5 | 398.4 | 216.3 | 17.3 |
| Retail customers | 44.6 | 41.4 | 38.0 | 23.7 | 608.1 | 608.1 | 607.1 | 103.8 | 652.7 | 649.5 | 645.1 | 127.4 | 10.2 |
| Loans to individuals | 30.7 | 29.2 | 26.6 | 17.1 | 489.2 | 489.2 | 487.4 | 69.5 | 519.9 | 518.4 | 514.0 | 86.6 | 6.9 |
| o/w secured by real estate assets | 10.1 | 9.6 | 9.6 | 4.2 | 357.1 | 357.1 | 357.0 | 38.7 | 367.1 | 366.7 | 366.6 | 42.9 | 3.4 |
| o/w revolving | 4.6 | 4.4 | 2.0 | 1.6 | 19.5 | 19.5 | 17.0 | 4.4 | 24.1 | 23.8 | 19.0 | 5.9 | 0.5 |
| o/w other | 16.1 | 15.2 | 15.0 | 11.3 | 112.7 | 112.7 | 113.4 | 26.4 | 128.7 | 127.9 | 128.4 | 37.8 | 3.0 |
| Loans to small and medium businesses | 13.8 | 12.2 | 11.4 | 6.6 | 118.9 | 118.9 | 119.7 | 34.2 | 132.7 | 131.1 | 131.1 | 40.8 | 3.3 |
| o/w secured by real estate assets | 0.6 | 0.6 | 0.6 | 0.3 | 21.7 | 21.7 | 21.7 | 6.0 | 22.3 | 22.3 | 22.3 | 6.3 | 0.5 |
| o/w other | 13.2 | 11.7 | 10.8 | 6.3 | 97.2 | 97.2 | 98.0 | 28.2 | 110.4 | 108.9 | 108.8 | 34.5 | 2.8 |
| Shares | 1.3 | | 1.3 | 1.5 | 19.5 | | 19.5 | 68.5 | 20.9 | | 20.8 | 69.9 | 5.6 |
| Securitisations | 1.3 | | 0.9 | 0.5 | 41.5 | | 41.5 | 4.8 | 42.8 | | 42.4 | 5.3 | 0.4 |
| Assets other than credit obligation | 24.9 | | 24.7 | 18.6 | - | | - | - | 24.9 | | 24.7 | 18.6 | 1.5 |
| TOTAL | 322.6 | | 273.6 | 141.1 | 1,347.2 | | 1,269.3 | 330.0 | 1,669.8 | | 1,542.8 | 471.1 | 37.7 |

*(1) Initial gros exposure.*

*(2) Gross exposure after credit risk mitigation (CRM).*

## OVERALL RISK EXPOSURE (CREDIT, COUNTERPARTY, DILUTION, SETTLEMENT AND DELIVERY) AT 31 DECEMBER 2018

| 31/12/2018 | Standardised | | | | IRB | | | | Total | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| (in billions of euros) | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Gross exposure (1) | Gross exposure afrer CRM (2) | EAD | RWA | Capital requirement |
| Central governments or central banks | 56.0 | 56.1 | 55.8 | 6.1 | 189.8 | 200.8 | 198.0 | 2.7 | 245.8 | 257.0 | 253.9 | 8.8 | 0.7 |
| Institutions | 43.7 | 60.7 | 58.4 | 9.0 | 99.6 | 101.7 | 97.0 | 16.5 | 143.3 | 162.4 | 155.4 | 25.6 | 2.0 |
| Corporates | 154.2 | 133.0 | 100.1 | 77.5 | 363.4 | 341.6 | 281.9 | 128.0 | 517.7 | 474.6 | 382.0 | 205.5 | 16.4 |
| Retail customers | 43.7 | 41.1 | 37.4 | 23.1 | 589.7 | 589.7 | 582.8 | 110.7 | 633.4 | 630.8 | 620.2 | 133.8 | 10.7 |
| Loans to individuals | 30.4 | 28.8 | 25.8 | 16.5 | 474.3 | 474.3 | 468.6 | 73.8 | 504.7 | 503.0 | 494.5 | 90.3 | 7.2 |
| o/w secured by real estate assets | 10.0 | 9.6 | 9.5 | 4.1 | 343.6 | 343.6 | 343.6 | 40.9 | 353.6 | 353.2 | 353.1 | 45.0 | 3.6 |
| o/w revolving | 5.3 | 5.0 | 2.3 | 1.8 | 19.2 | 19.2 | 13.7 | 5.5 | 24.5 | 24.2 | 16.0 | 7.3 | 0.6 |
| o/w other | 15.2 | 14.2 | 14.0 | 10.6 | 111.4 | 111.4 | 111.4 | 27.3 | 126.6 | 125.6 | 125.4 | 37.9 | 3.0 |
| Loans to small and medium businesses | 13.3 | 12.3 | 11.5 | 6.6 | 115.5 | 115.5 | 114.1 | 36.9 | 128.8 | 127.8 | 125.7 | 43.6 | 3.5 |
| o/w secured by real estate assets | 0.6 | 0.6 | 0.6 | 0.3 | 21.2 | 21.2 | 21.2 | 7.1 | 21.8 | 21.7 | 21.7 | 7.4 | 0.6 |
| o/w other | 12.7 | 11.8 | 11.0 | 6.4 | 94.3 | 94.3 | 93.0 | 29.8 | 107.0 | 106.1 | 103.9 | 36.2 | 2.9 |
| Shares | 1.7 | | 1.7 | 1.9 | 18.2 | | 18.2 | 63.8 | 19.9 | | 19.9 | 65.7 | 5.3 |
| Securitisations | 2.5 | | 2.3 | 1.6 | 43.3 | | 43.3 | 5.0 | 45.8 | | 45.6 | 6.5 | 0.5 |
| Assets other than credit obligation | 21.5 | | 21.4 | 15.8 | - | | - | - | 21.5 | | 21.4 | 15.8 | 1.3 |
| **TOTAL** | **323.3** | | **277.2** | **135.0** | **1,304.2** | | **1,221.2** | **326.7** | **1,627.4** | | **1,498.4** | **461.6** | **36.9** |

*(1) Initial gros exposure.*

*(2) Gross exposure after credit risk mitigation (CRM).*

Measured in terms of gross exposure, the group's total outstanding amounts were up +2,6% reflecting the favourable business climate in the main business lines, in particular in the "Institutions" portfolio (up +5,2%).

The main portfolio remains the Retail customers category with total gross exposure of €652.7 billion at the end of June 2019 (compared with €633.4 billion at the end of 2018).

RWA density (defined as the ratio of risk-weighted asset/EAD) was 20% on average for retail customers and 54% for Corporates at 30 June 2019.

### 3.2.1.2 Default exposures and value adjustments

## CREDIT QUALITY OF EXPOSURES BY TYPE OF EXPOSURE AND INSTRUMENT (CR1-A)

| 30/06/2019 | | Gross carrying values of | | Provisions / Impairment | Net values |
|---|---|---|---|---|---|
| | *(in millions of euros)* | Defaulted exposures | Non-defaulted exposures | | |
| 1 | Central governments or central banks | 69 | 195,066 | 51 | 195,084 |
| 2 | Institutions | 397 | 106,360 | 446 | 106,311 |
| 3 | Corporates | 5,976 | 370,201 | 5,085 | 371,092 |
| 4 | Of which: Specialised lending | 1,237 | 63,205 | 668 | 63,773 |
| 5 | Of which: SMEs | 1,389 | 34,925 | 1,525 | 34,789 |
| 6 | Retail | 12,557 | 595,544 | 11,074 | 597,027 |
| 7 | Secured by real estate property | 4,906 | 373,838 | 3,377 | 375,367 |
| 8 | SMEs | 845 | 20,847 | 768 | 20,924 |
| 9 | Non-SMEs | 4,060 | 352,992 | 2,609 | 354,443 |
| 10 | Qualifying revolving | 339 | 19,134 | 396 | 19,076 |
| 11 | Other retail | 7,313 | 202,572 | 7,301 | 202,584 |
| 12 | SMEs | 4,109 | 93,099 | 4,289 | 92,919 |
| 13 | Non-SMEs | 3,203 | 109,473 | 3,012 | 109,665 |
| 14 | Equity | - | 19,531 | 14 | 19,517 |
| **15** | **Total IRB approach 30/06/2019** | **19,000** | **1,286,701** | **16,670** | **1,289,030** |
| | **Total IRB approach 31/12/2018** | **18,469** | **1,242,398** | **16,890** | **1,243,977** |
| 16 | Central governments or central banks | - | 44,870 | 11 | 44,859 |
| 17 | Regional governments or local authorities | - | 829 | - | 829 |
| 18 | Public sector entities | - | 2,181 | 1 | 2,180 |
| 19 | Multilateral development banks | - | 28 | - | 28 |
| 20 | International organisations | - | 786 | - | 785 |
| 21 | Institutions | - | 42,595 | 7 | 42,588 |
| 22 | Corporates | - | 116,468 | 613 | 115,855 |
| 23 | Of which: SMEs | - | 22,135 | 184 | 21,951 |
| 24 | Retail | - | 32,495 | 254 | 32,241 |
| 25 | Of which: SMEs | - | 12,854 | 29 | 12,824 |
| 26 | Secured by mortgages on immovable property | - | 12,188 | 30 | 12,158 |
| 27 | Of which: SMEs | - | 1,300 | 11 | 1,289 |
| 28 | Exposures in default | 6,003 | - | 3,158 | 2,846 |
| 29 | Items associated with particularly high risk | - | 292 | 1 | 291 |
| 30 | Covered bonds | - | 137 | - | 137 |
| 31 | Claims on institutions and corporates with a short-term | - | - | - | - |
| 32 | Collective investments undertakings | - | 36,244 | 21 | 36,224 |
| 33 | Equity exposures | - | 1,325 | - | 1,325 |
| 34 | Other exposures | - | 24,857 | 147 | 24,709 |
| **35** | **Total standardised approach 30/06/2019** | **6,003** | **315,296** | **4,244** | **317,055** |
| | **Total standardised approach 31/12/2018** | **6,221** | **314,595** | **4,263** | **316,553** |
| **36** | **TOTAL 30/06/2019** | **25,003** | **1,601,997** | **20,915** | **1,606,085** |
| | **TOTAL 31/12/2018** | **24,690** | **1,556,993** | **21,153** | **1,560,530** |

Exposures at default stood at € 25.0 billion at 30 June 2019, up by +1.3% compared to 31 December 2018. They represent 1.5% of gross total exposures versus 1.6% at end- 2018.

## QUALITY OF CREDIT EXPOSURES BY INDUSTRY OR TYPE OF COUNTERPARTY (CR1-B)

| | 30/06/2019<br>*(in millions of euros)* | Gross carrying values of | | Provisions and depreciation | Net values |
|---|---|---|---|---|---|
| | | Defaulted exposures | Non-defaulted exposures | | |
| 1 | Agriculture, forestry and fishing | 283 | 6,457 | 268 | 6,472 |
| 2 | Mining and quarrying | 207 | 21,384 | 86 | 21,506 |
| 3 | Manufacturing | 1,672 | 105,156 | 1,114 | 105,714 |
| 4 | Production and distribution | 117 | 28,987 | 114 | 28,990 |
| 5 | Construction and water supply | 1,154 | 15,499 | 684 | 15,969 |
| 6 | Wholesale trade | 746 | 39,303 | 576 | 39,474 |
| 7 | Retail trade | 1,060 | 23,408 | 425 | 24,043 |
| 8 | Transport and storage | 1,201 | 37,353 | 595 | 37,960 |
| 9 | Accommodation and food service activities | 273 | 8,570 | 296 | 8,548 |
| 10 | Information and communication | 109 | 23,993 | 36 | 24,066 |
| 11 | Education | 9 | 779 | 9 | 779 |
| 12 | Real estate activities | 1,398 | 70,551 | 1,037 | 70,912 |
| 13 | Finance and insurance companies | 919 | 325,133 | 723 | 325,329 |
| 14 | Financial holding companies | 252 | 11,195 | 215 | 11,232 |
| 15 | Professional, scientific and technical activities | 131 | 7,966 | 104 | 7,993 |
| 16 | Administrative and support service activities | 68 | 6,535 | 65 | 6,538 |
| 17 | Public administration and defence, compulsory social security | 92 | 100,765 | 59 | 100,798 |
| 18 | Human health services and social work activities | 50 | 13,545 | 50 | 13,545 |
| 19 | Other personal services | 27 | 1,346 | 22 | 1,350 |
| 20 | Private persons | 14,082 | 634,776 | 8,853 | 640,006 |
| 21 | Arts, entertainment and recreation | 39 | 2,197 | 40 | 2,196 |
| 22 | Other services | 1,114 | 117,099 | 5,544 | 112,665 |
| **23** | **TOTAL 30/06/2019** | **25,003** | **1,601,997** | **20,915** | **1,606,085** |
| | **TOTAL 31/12/2018** | **24,690** | **1,556,993** | **21,153** | **1,560,530** |

## QUALITY OF CREDIT EXPOSURES BY GEOGRAPHIC AREA (CR1-C)

| 31/12/2017 (in millions of euros) | | Gross carrying values of | | Provisions and depreciation | Net values |
|---|---|---|---|---|---|
| | | Defaulted exposures | Non-defaulted exposures | | |
| **1** | **EUROPE** | **22,507** | **1,391,639** | **19,032** | **1,395,113** |
| 2 | France | 15,341 | 1,071,512 | 14,039 | 1,072,814 |
| 3 | Italy | 5,093 | 102,443 | 3,589 | 103,947 |
| 4 | Luxembourg | 108 | 34,848 | 61 | 34,894 |
| 5 | United Kingdom | 169 | 35,908 | 179 | 35,898 |
| 6 | Germany | 184 | 30,958 | 116 | 31,027 |
| 7 | Switzerland | 97 | 18,674 | 132 | 18,639 |
| 8 | Netherland | 156 | 18,377 | 139 | 18,393 |
| 9 | Others (EUROPE) | 1,359 | 78,919 | 777 | 79,501 |
| **10** | **ASIA & OCEANIA** | **314** | **91,981** | **103** | **92,192** |
| 11 | Japan | - | 41,347 | 7 | 41,340 |
| 12 | Others (ASIA & OCEANIA) | 314 | 50,634 | 96 | 50,852 |
| **13** | **NORTH AMERICA** | **254** | **72,979** | **308** | **72,925** |
| 14 | USA | 203 | 65,236 | 278 | 65,162 |
| 15 | Others (North America) | 51 | 7,743 | 30 | 7,763 |
| **16** | **CENTRAL & SOUTH AMERICA** | **596** | **16,490** | **425** | **16,661** |
| **17** | **AFRICA AND MIDDLE EAST** | **1,333** | **28,911** | **1,051** | **29,192** |
| **18** | **TOTAL 30/06/2019** | **25,003** | **1,601,997** | **20,915** | **1,606,085** |
| | **TOTAL 31/12/2018** | **24,690** | **1,556,993** | **21,153** | **1,560,530** |

## AGE OF EXPOSURES ON WATCHLIST (CR1-D)

| 30/06/2019 (in millions of euros) | | Gross carrying values | | | | | |
|---|---|---|---|---|---|---|---|
| | | ≤ 30 days | > 30 days ≤ 60 days | > 60 days ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1year | > 1year |
| 1 | Loans | 12,424 | 2,048 | 1,161 | 1,161 | 812 | 3,871 |
| 2 | Debt Securities | 898 | 208 | - | - | - | - |
| 3 | Total exposures | 13,322 | 2,256 | 1,161 | 1,161 | 812 | 3,871 |

| 31/12/2018 (in millions of euros) | | Gross carrying values | | | | | |
|---|---|---|---|---|---|---|---|
| | | ≤ 30 days | > 30 days ≤ 60 days | > 60 days ≤ 90 days | > 90 days ≤ 180 days | > 180 days ≤ 1year | > 1year |
| 1 | Loans | 10,366 | 2,611 | 1,140 | 1,409 | 985 | 4,316 |
| 2 | Debt Securities | - | - | - | - | - | - |
| 3 | Total exposures | 10,366 | 2,611 | 1,140 | 1,409 | 985 | 4,316 |

Exposures on watchlist for up to 60 days account for 69% on 30 June 2019 and 62% on 31 December 2018 of total exposures on watchlist.

## NON-PERFORMING AND RE-NEGOTIATED EXPOSURES (CR1-E)

| 30/06/2019 (in millions of euros) | | Gross carrying amount of performing and non-performing exposures | | | | | | | Accumulated impairment and provisions and negative fair value adjustments due to credit risk | | | | Collaterals and financial guarantees received | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which performing but past due >30 days and <=90 days | of which performing forborne | Of which non-performing | | | | On performing exposures | | On non-performing exposures | | On non-performing exposures | of which: forborne exposures |
| | | | | | | Of which: defaulted | of which: impaired | of which: forborne | | of which: forborne | | of which: forborne | | |
| 10 | Debt securities | 138,756 | 221 | 11 | 121 | 83 | 83 | 1 | (68) | - | (23) | (1) | - | - |
| 20 | Loans and advances | 1,073,355 | 3,005 | 4,363 | 25,509 | 23,736 | 23,736 | 7,968 | (5,423) | (337) | (14,534) | (3,468) | 6,732 | 4,488 |
| 30 | Off-balance sheet exposures | 564,217 | - | 202 | 3,522 | 3,250 | - | 108 | 906 | 10 | 450 | 16 | 212 | 79 |

| 31/12/2018 (in millions of euros) | | Gross carrying amount of performing and non-performing exposures | | | | | | | Accumulated impairment and provisions and negative fair value adjustments due to credit risk | | | | Collaterals and financial guarantees received | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which performing but past due >30 days and <=90 days | of which performing forborne | Of which non-performing | | | | On performing exposures | | On non-performing exposures | | On non-performing exposures | of which: forborne exposures |
| | | | | | | Of which: defaulted | of which: impaired | of which: forborne | | of which: forborne | | of which: forborne | | |
| 10 | Debt securities | 134,575 | - | 11 | 110 | 85 | 85 | 1 | (53) | - | (23) | - | - | - |
| 20 | Loans and advances | 1,046,944 | 3,012 | 4,899 | 25,343 | 23,673 | 23,673 | 7,852 | (5,433) | (367) | (14,662) | (3,537) | 6,740 | 4,911 |
| 30 | Off-balance sheet exposures | 531,403 | - | 193 | 3,666 | 1,243 | - | 109 | 942 | 4 | 464 | 6 | 77 | 93 |

The information on non-performing and renegotiated exposures includes the gross carrying amount, impairment, provisions and related valuation adjustments, as well as the value of collateral and guarantees received.

The definitions of defaulted, impaired, renegotiated or restructured exposures are given in the group financial statements in Part 1.2 “Accounting principles and methods”.

## CHANGE IN BALANCE OF SPECIFIC CREDIT RISK ADJUSTMENTS (CR2-A)

| (in millions of euros) | | Accumulated specific credit risk adjustment |
|---|---|---|
| **1** | **Opening balance at 1st January** | **20,162** |
| 2 | Increases due to origination and acquisition | 1,214 |
| 3 | Decreases due to derecognition | (1,853) |
| 4 | Changes due to change in credit risk (net) | 1,559 |
| 5 | Changes due to modifications without derecognition (net) | 23 |
| 6 | Changes due to update in the institution's methodology for estimation (net) | (26) |
| 7 | Decrease in allowance account due to write-offs | (945) |
| 8 | Other adjustments | (95) |
| **9** | **Closing balance at 30 june (1)** | **20,039** |
| 10 | Recoveries of previously written-off amounts recorded directly to the statement of profit or loss | (150) |
| 11 | Amounts written-off directly to the statement of profit or loss | 123 |

*(1) Differences in total provisions between CR2-A, CR1-A and CR1-C tables are mainly due to divergences in scope. Impairment of fixed assets and equity investments and provisions for guarantee commitments given are only included in the CR1-A and CR1-C.*

**CHANGES IN THE BALANCE OF LOANS AND DEBT SECURITIES IN DEFAULT AND IMPAIRED (IMPAIRED) (CR2-B)**

| 30/06/2019<br>*(in millions of euros)* | | Gross carrying value defaulted exposures |
|---|---|---|
| **1** | **Opening balance** | **23,758** |
| 2 | Loans and debt securities that have defaulted or impaired since the last reporting period | 2,898 |
| 3 | Returned to non-defaulted status | (839) |
| 4 | Amounts written off | (1,828) |
| 5 | Other changes | (170) |
| **6** | **Closing balance** | **23,819** |

## 3.2.2 Credit risk

### 3.2.2.1 Exposures under the standardised approach

**STANDARDISED APPROACH - EXPOSURE TO CREDIT RISK AND CREDIT RISK MITIGATION (CRM) EFFECTS AT 30 JUNE 2019 (CR4)**

| **30/06/2019**<br>Asset classes<br>*(in millions of euros)* | | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
|---|---|---|---|---|---|---|---|
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Central governments or central banks | 42,115 | 240 | 42,267 | 67 | 6,069 | 14.34% |
| 2 | Regional governments or local authorities | 744 | 84 | 893 | 50 | 144 | 15.27% |
| 3 | Public sector entities | 2,109 | 50 | 2,258 | 36 | 216 | 9.42% |
| 4 | Multilateral developments banks | 27 | 1 | 27 | 1 | 9 | 32.14% |
| 5 | International organisations | 785 | - | 785 | - | - | - |
| 6 | Institutions | 20,891 | 4,344 | 37,528 | 2,163 | 6,627 | 16.70% |
| 7 | Corporate | 81,221 | 31,441 | 64,693 | 11,988 | 68,119 | 88.83% |
| 8 | Retail | 28,219 | 4,017 | 26,762 | 637 | 18,645 | 68.05% |
| 9 | Secured by mortgages on immovable property | 12,089 | 69 | 11,766 | 33 | 5,166 | 43.78% |
| 10 | Equity | 1,318 | 8 | 1,318 | 8 | 1,478 | 111.46% |
| 11 | Exposure in default | 2,681 | 163 | 2,619 | 54 | 3,194 | 119.49% |
| 12 | Higher-risk categories | 291 | - | 291 | - | 437 | 150.17% |
| 13 | Covered bonds | 137 | - | 137 | - | 137 | 100.00% |
| 14 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| 15 | Collective investment undertakings | 14,795 | 21,429 | 14,795 | 6,822 | 8,226 | 38.05% |
| 16 | Other items | 24,700 | 9 | 24,700 | 9 | 18,559 | 75.11% |
| **17** | **TOTAL** | **232,123** | **61,854** | **230,840** | **21,867** | **137,025** | **54.22%** |

## STANDARDISED APPROACH - EXPOSURE TO CREDIT RISK AND CREDIT RISK MITIGATION (CRM) EFFECTS AT 31 DECEMBER 2018 (CR4)

| **31/12/2018**<br>Asset classes<br>*(in millions of euros)* | | Exposures before CCF and CRM | | Exposures post-CCF and CRM | | RWA and RWA density | |
|---|---|---|---|---|---|---|---|
| | | On-balance sheet amount | Off-balance sheet amount | On-balance sheet amount | Off-balance sheet amount | RWA | RWA density |
| 1 | Central governments or central banks | 51,780 | 340 | 51,934 | 85 | 6,059 | 11.65% |
| 2 | Regional governments or local authorities | 740 | 63 | 899 | 34 | 149 | 15.97% |
| 3 | Public sector entities | 1,040 | 44 | 1,167 | 35 | 250 | 20.80% |
| 4 | Multilateral developments banks | 75 | 6 | 75 | 3 | 4 | 5.13% |
| 5 | International organisations | 735 | - | 735 | - | - | - |
| 6 | Institutions | 22,426 | 4,274 | 39,904 | 2,125 | 7,018 | 16.70% |
| 7 | Corporate | 79,348 | 29,495 | 61,351 | 10,971 | 64,169 | 88.73% |
| 8 | Retail | 27,074 | 4,323 | 26,110 | 686 | 18,165 | 67.79% |
| 9 | Secured by mortgages on immovable property | 12,068 | 64 | 11,744 | 30 | 5,102 | 43.33% |
| 10 | Equity | 1,703 | 5 | 1,703 | 5 | 1,916 | 112.18% |
| 11 | Exposure in default | 2,720 | 238 | 2,651 | 83 | 3,253 | 118.98% |
| 12 | Higher-risk categories | 282 | - | 282 | - | 423 | 150.00% |
| 13 | Covered bonds | - | - | - | - | - | - |
| 14 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| 15 | Collective investment undertakings | 15,657 | 20,407 | 15,657 | 6,072 | 7,729 | 35.57% |
| 16 | Other items | 21,415 | 3 | 21,415 | 6 | 15,766 | 73.60% |
| **17** | **TOTAL** | **237,063** | **59,261** | **235,626** | **20,135** | **130,003** | **50.83%** |

## EXPOSURES BY ASSET CLASS AND BY RISK WEIGHTING COEFFICIENT AT 30 JUNE 2019 (CR5)

| 30/06/2019 | | Risk weight | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Asset classes<br>*(in millions of euros)* | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | 250% | 370% | 1250% | Others | Deducted | Total | o/w unrated |
| 1 | Central governments or central banks | 37,634 | - | - | - | 157 | - | 325 | - | - | 3,114 | - | - | - | - | - | 1,104 | 42,334 | 42,334 |
| 2 | Regional governments or local authorities | 221 | - | - | - | 721 | - | - | - | - | - | - | - | - | - | - | - | 943 | 943 |
| 3 | Public sector entities | 1,553 | - | - | - | 634 | - | 35 | - | - | 72 | - | - | - | - | - | - | 2,294 | 2,226 |
| 4 | Multilateral developments banks | 15 | - | - | - | 7 | - | - | - | - | 1 | 5 | - | - | - | - | - | 27 | 27 |
| 5 | International organisations | 785 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 785 | 785 |
| 6 | Institutions | 19,203 | 1,888 | - | - | 11,013 | - | 6,409 | - | - | 1,171 | 8 | - | - | - | - | - | 39,692 | 30,910 |
| 7 | Corporate | - | - | - | - | 4,992 | - | 11,604 | - | - | 57,962 | 2,124 | - | - | - | - | - | 76,682 | 48,650 |
| 8 | Retail | - | - | - | - | - | - | - | - | 27,399 | - | - | - | - | - | - | - | 27,399 | 27,399 |
| 9 | Secured by mortgages on immovable property | - | - | - | - | - | 7,991 | 1,660 | - | 2,132 | 16 | - | - | - | - | - | - | 11,799 | 11,799 |
| 10 | Equity exposure | - | - | - | - | - | - | - | - | - | 1,223 | - | 102 | - | - | - | - | 1,325 | 1,325 |
| 11 | Exposure in default | - | - | - | - | - | - | - | - | - | 1,628 | 1,044 | - | - | - | - | - | 2,672 | 2,672 |
| 12 | Items associated with particularly high risk | - | - | - | - | - | - | - | - | - | - | 291 | - | - | - | - | - | 291 | 291 |
| 13 | Covered bonds | - | - | - | - | - | - | - | - | - | 137 | - | - | - | - | - | - | 137 | - |
| 14 | Claims on institutions and corporate with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Claims in the form of CIU | 7,812 | - | 8 | 76 | 4,181 | - | 4,493 | - | - | 4,869 | 177 | - | - | - | - | - | 21,617 | 20,152 |
| 16 | Other items | 3,931 | - | - | - | 2,775 | - | - | - | - | 18,003 | - | - | - | - | - | - | 24,709 | 24,709 |
| **17** | **TOTAL** | **71,155** | **1,888** | **8** | **76** | **24,479** | **7,991** | **24,527** | **-** | **29,531** | **88,196** | **3,649** | **102** | **-** | **-** | **-** | **1,104** | **252,707** | **214,223** |

## EXPOSURES BY ASSET CLASS AND BY RISK WEIGHTING COEFFICIENT AT 31 DECEMBER 2018 (CR5)

| 31/12/2018 | | Risk weight | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Asset classes *(in millions of euros)* | | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | 250% | 370% | 1250% | Others | Deducted | Total | o/w unrated |
| 1 | Central governments or central banks | 47,515 | - | - | - | 128 | - | 388 | - | - | 2,726 | 42 | - | - | - | - | 1,220 | 52,019 | 52,019 |
| 2 | Regional governments or local authorities | 187 | - | - | - | 746 | - | - | - | - | - | - | - | - | - | - | - | 933 | 933 |
| 3 | Public sector entities | 516 | - | - | - | 482 | - | 100 | - | - | 104 | - | - | - | - | - | - | 1,201 | 1,101 |
| 4 | Multilateral developments banks | 68 | - | - | - | 6 | - | - | - | - | 3 | - | - | - | - | - | - | 78 | 78 |
| 5 | International organisations | 735 | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | 735 | 735 |
| 6 | Institutions | 21,225 | 1,410 | - | - | 11,364 | - | 6,677 | - | - | 1,303 | 50 | - | - | - | - | - | 42,029 | 31,632 |
| 7 | Corporate | - | - | - | - | 4,159 | - | 11,369 | - | - | 55,007 | 1,788 | - | - | - | - | - | 72,322 | 45,519 |
| 8 | Retail | - | - | - | - | - | - | - | - | 26,796 | - | - | - | - | - | - | - | 26,796 | 26,796 |
| 9 | Secured by mortgages on immovable property | - | - | - | - | - | 8,076 | 1,707 | - | 1,973 | 17 | - | - | - | - | - | - | 11,773 | 11,773 |
| 10 | Equity exposure | - | - | - | - | - | - | - | - | - | 1,570 | - | 138 | - | - | - | - | 1,708 | 1,708 |
| 11 | Exposure in default | - | - | - | - | - | - | - | - | - | 1,693 | 1,040 | - | - | - | - | - | 2,733 | 2,733 |
| 12 | Items associated with particularly high risk | - | - | - | - | - | - | - | - | - | - | 282 | - | - | - | - | - | 282 | 282 |
| 13 | Covered bonds | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 14 | Claims on institutions and corporate with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| 15 | Claims in the form of CIU | 8,068 | - | 6 | 98 | 4,549 | - | 4,574 | - | - | 4,258 | 176 | - | - | - | - | - | 21,728 | 20,559 |
| 16 | Other items | 3,905 | - | - | - | 2,188 | - | - | - | - | 15,329 | - | - | - | - | - | - | 21,422 | 21,422 |
| **17** | **TOTAL** | **82,219** | **1,410** | **6** | **98** | **23,622** | **8,076** | **24,814** | **-** | **28,769** | **82,011** | **3,378** | **138** | **-** | **-** | **-** | **1,220** | **255,761** | **217,291** |

Exposures to the asset classes « Central governments or central banks » and « Institutions » treated under the standard approach mainly benefit from the application of a 0% weighting coefficient at end-June 2019 and at end-2018. This reflects the importance of activities carried out with quality counterparties.

## 3.2.2.2 Quality of exposures under the internal ratings-based approach

### CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE INTERNAL RATINGS-BASED APPROACH AT 30 JUNE 2019 (CR6)

| *(in millions of euros)* | PD Scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Average CCF | EAD post CRM and post-CCF | Average PD | Average LGD | Average maturity | RWA | RWA density | EL | Value adjust-ments and provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0,00 à < 0,15 | 110,069 | 754 | 73.43% | 111,391 | 0.00% | 45.00% | | 857 | 0.77% | 1 | - |
| | 0,15 à < 0,25 | 629 | - | 75.00% | 629 | 0.16% | 45.00% | | 259 | 41.15% | - | - |
| | 0,25 à < 0,50 | 53 | 1 | 75.00% | 52 | 0.30% | 44.88% | | 31 | 59.42% | - | - |
| | 0,50 à < 0,75 | 57 | 7 | 75.00% | 63 | 0.60% | 45.00% | | 51 | 80.66% | - | - |
| | 0,75 à < 2,50 | 60 | 3 | 75.31% | 62 | 1.36% | 44.97% | | 72 | 116.27% | - | - |
| | 2,50 à < 10,00 | - | - | - | - | 5.00% | 45.00% | | - | 163.74% | - | - |
| | 10,00 à < 100,00 | 52 | 8 | 75.00% | 59 | 19.63% | 45.00% | | 147 | 251.66% | 5 | - |
| | 100,00 (défaut) | - | - | - | - | - | - | | - | - | - | - |
| | **Sous-total** | **110,921** | **773** | **73.45%** | **112,255** | **0.01%** | **45.00%** | | **1,417** | **1.26%** | **7** | **24** |
| Institutions | 0,00 à < 0,15 | 44,262 | 3,956 | 66.01% | 48,090 | 0.03% | 42.24% | | 7,715 | 16.04% | 7 | - |
| | 0,15 à < 0,25 | 738 | 213 | 73.92% | 892 | 0.16% | 37.71% | | 325 | 36.46% | 1 | - |
| | 0,25 à < 0,50 | 813 | 34 | 35.44% | 824 | 0.30% | 45.00% | | 591 | 71.73% | 1 | - |
| | 0,50 à < 0,75 | 495 | 62 | 69.33% | 528 | 0.60% | 44.88% | | 495 | 93.72% | 1 | - |
| | 0,75 à < 2,50 | 208 | 30 | 73.79% | 228 | 1.29% | 43.30% | | 252 | 110.71% | 1 | - |
| | 2,50 à < 10,00 | 22 | 2 | 48.79% | 23 | 5.00% | 44.65% | | 36 | 158.32% | 1 | - |
| | 10,00 à < 100,00 | 79 | 40 | 61.43% | 98 | 19.50% | 44.91% | | 248 | 253.41% | 9 | - |
| | 100,00 (défaut) | 19 | - | - | 19 | 100.00% | 45.00% | | - | - | 8 | - |
| | **Sous-total** | **46,636** | **4,335** | **66.21%** | **50,701** | **0.13%** | **42.25%** | | **9,662** | **19.06%** | **28** | **37** |
| Corporates - Other | 0,00 à < 0,15 | 19,786 | 8,637 | 77.06% | 26,821 | 0.04% | 44.81% | | 5,452 | 20.33% | 5 | - |
| | 0,15 à < 0,25 | 6,026 | 3,681 | 71.08% | 8,722 | 0.16% | 44.57% | | 3,803 | 43.60% | 6 | - |
| | 0,25 à < 0,50 | 7,563 | 4,742 | 71.55% | 10,956 | 0.30% | 44.48% | | 6,665 | 60.83% | 15 | - |
| | 0,50 à < 0,75 | 6,992 | 3,339 | 71.55% | 9,228 | 0.60% | 44.37% | | 7,835 | 84.91% | 25 | - |
| | 0,75 à < 2,50 | 12,335 | 4,552 | 71.97% | 14,755 | 1.22% | 44.07% | | 15,904 | 107.79% | 79 | - |
| | 2,50 à < 10,00 | 745 | 188 | 64.96% | 753 | 5.00% | 43.49% | | 1,274 | 169.21% | 16 | - |
| | 10,00 à < 100,00 | 1,166 | 528 | 56.63% | 1,360 | 18.00% | 44.26% | | 3,471 | 255.22% | 109 | - |
| | 100,00 (défaut) | 989 | 228 | 60.32% | 1,108 | 100.00% | 44.74% | | - | - | 496 | - |
| | **Sous-total** | **55,603** | **25,897** | **73.01%** | **73,703** | **2.29%** | **44.50%** | | **44,404** | **60.25%** | **750** | **1,205** |
| Corporates - SME | 0,00 à < 0,15 | 482 | 52 | 76.20% | 534 | 0.04% | 44.33% | | 86 | 16.04% | - | - |
| | 0,15 à < 0,25 | 750 | 308 | 76.48% | 981 | 0.16% | 44.24% | | 393 | 40.10% | 1 | - |
| | 0,25 à < 0,50 | 1,805 | 522 | 74.50% | 2,236 | 0.30% | 43.58% | | 1,155 | 51.64% | 3 | - |
| | 0,50 à < 0,75 | 2,633 | 746 | 75.26% | 3,100 | 0.60% | 43.47% | | 2,161 | 69.69% | 8 | - |
| | 0,75 à < 2,50 | 16,770 | 3,997 | 77.26% | 19,327 | 1.39% | 43.15% | | 17,345 | 89.74% | 116 | - |
| | 2,50 à < 10,00 | 3,213 | 581 | 78.25% | 3,415 | 5.00% | 42.64% | | 4,270 | 125.05% | 73 | - |
| | 10,00 à < 100,00 | 1,979 | 335 | 77.78% | 1,983 | 15.22% | 42.71% | | 3,787 | 191.01% | 129 | - |
| | 100,00 (défaut) | 1,215 | 163 | 78.12% | 1,266 | 100.00% | 44.16% | | - | - | 559 | - |
| | **Sous-total** | **28,847** | **6,704** | **76.91%** | **32,842** | **6.19%** | **43.22%** | | **29,196** | **88.90%** | **888** | **1,520** |
| **Total (all portfolios)** | | **243,352** | **38,079** | **72.95%** | **271,128** | **1.40%** | **44.12%** | | **85,644** | **31.59%** | **1,677** | **2,793** |

## CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2018 (CR6)

| *(in millions of euros)* | PD Scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Average CCF | EAD post CRM and post-CCF | Average PD | Average LGD | Average maturity | RWA | RWA density | EL | Value adjust-ments and provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0,00 à < 0,15 | 104,918 | 820 | 74.24% | 106,534 | 0.00% | 45.00% | | 1,373 | 1.29% | 1 | - |
| | 0,15 à < 0,25 | 642 | - | - | 642 | 0.16% | 45.00% | | 264 | 41.15% | - | - |
| | 0,25 à < 0,50 | 40 | 4 | 75.00% | 42 | 0.30% | 44.85% | | 25 | 59.87% | - | - |
| | 0,50 à < 0,75 | 42 | 6 | 75.00% | 47 | 0.60% | 45.00% | | 38 | 80.94% | - | - |
| | 0,75 à < 2,50 | 54 | 4 | 75.00% | 56 | 1.22% | 45.00% | | 63 | 111.78% | - | - |
| | 2,50 à < 10,00 | - | - | - | - | - | - | | - | - | - | - |
| | 10,00 à < 100,00 | 32 | 1 | 76.11% | 33 | 19.00% | 44.94% | | 82 | 251.75% | 3 | - |
| | 100,00 (défaut) | - | - | - | - | - | - | | - | - | - | - |
| | **Sous-total** | **105,728** | **834** | **74.25%** | **107,352** | **0.01%** | **45.00%** | | **1,845** | **1.72%** | **5** | **18** |
| Institutions | 0,00 à < 0,15 | 43,040 | 3,815 | 65.75% | 46,740 | 0.03% | 42.38% | | 7,543 | 16.14% | 7 | - |
| | 0,15 à < 0,25 | 840 | 217 | 74.59% | 999 | 0.16% | 41.10% | | 385 | 38.50% | 1 | - |
| | 0,25 à < 0,50 | 959 | 39 | 51.46% | 981 | 0.30% | 42.14% | | 664 | 67.69% | 1 | - |
| | 0,50 à < 0,75 | 378 | 41 | 58.34% | 392 | 0.60% | 44.84% | | 357 | 90.88% | 1 | - |
| | 0,75 à < 2,50 | 215 | 39 | 75.45% | 244 | 1.27% | 44.77% | | 276 | 112.89% | 1 | - |
| | 2,50 à < 10,00 | 22 | 2 | 67.23% | 23 | 5.00% | 44.66% | | 38 | 162.81% | 1 | - |
| | 10,00 à < 100,00 | 196 | 40 | 73.77% | 206 | 19.99% | 45.00% | | 520 | 252.70% | 19 | - |
| | 100,00 (défaut) | 29 | 1 | 75.00% | 30 | 100.00% | 45.00% | | - | - | 13 | - |
| | **Sous-total** | **45,679** | **4,195** | **66.15%** | **49,616** | **0.20%** | **42.40%** | | **9,782** | **19.72%** | **43** | **55** |
| Corporates - Other | 0,00 à < 0,15 | 19,020 | 8,781 | 76.67% | 26,125 | 0.04% | 44.83% | | 5,321 | 20.37% | 5 | - |
| | 0,15 à < 0,25 | 5,881 | 3,128 | 73.35% | 8,271 | 0.16% | 44.59% | | 3,611 | 43.66% | 6 | - |
| | 0,25 à < 0,50 | 7,071 | 4,317 | 70.70% | 10,012 | 0.30% | 44.54% | | 6,087 | 60.80% | 13 | - |
| | 0,50 à < 0,75 | 7,225 | 3,447 | 73.53% | 9,548 | 0.60% | 44.38% | | 8,090 | 84.73% | 25 | - |
| | 0,75 à < 2,50 | 11,377 | 3,928 | 69.37% | 13,365 | 1.22% | 43.98% | | 14,421 | 107.90% | 72 | - |
| | 2,50 à < 10,00 | 941 | 393 | 73.58% | 1,080 | 5.00% | 43.79% | | 1,828 | 169.23% | 24 | - |
| | 10,00 à < 100,00 | 1,244 | 345 | 66.61% | 1,357 | 18.04% | 44.22% | | 3,485 | 256.79% | 109 | - |
| | 100,00 (défaut) | 800 | 140 | 69.53% | 876 | 100.00% | 44.67% | | - | - | 391 | - |
| | **Sous-total** | **53,560** | **24,480** | **73.41%** | **70,635** | **2.05%** | **44.51%** | | **42,843** | **60.65%** | **645** | **1,210** |
| Corporates - SME | 0,00 à < 0,15 | 486 | 117 | 76.36% | 592 | 0.04% | 44.46% | | 98 | 16.59% | - | - |
| | 0,15 à < 0,25 | 1,046 | 198 | 79.21% | 1,208 | 0.16% | 44.11% | | 463 | 38.35% | 1 | - |
| | 0,25 à < 0,50 | 1,796 | 479 | 74.71% | 2,087 | 0.30% | 43.63% | | 1,065 | 51.02% | 3 | - |
| | 0,50 à < 0,75 | 2,461 | 700 | 76.25% | 2,975 | 0.60% | 43.43% | | 2,067 | 69.46% | 8 | - |
| | 0,75 à < 2,50 | 16,377 | 3,903 | 77.19% | 18,768 | 1.39% | 43.18% | | 16,878 | 89.93% | 113 | - |
| | 2,50 à < 10,00 | 3,126 | 570 | 78.99% | 3,312 | 5.00% | 42.85% | | 4,183 | 126.31% | 71 | - |
| | 10,00 à < 100,00 | 1,893 | 328 | 76.96% | 1,897 | 15.43% | 42.42% | | 3,581 | 188.75% | 124 | - |
| | 100,00 (défaut) | 1,203 | 169 | 78.57% | 1,260 | 100.00% | 44.11% | | - | - | 556 | - |
| | **Sous-total** | **28,388** | **6,464** | **77.13%** | **32,099** | **6.25%** | **43.25%** | | **28,335** | **88.27%** | **875** | **1,544** |
| **Total (all portfolios)** | | **234,589** | **36,296** | **73.28%** | **261,186** | **1.37%** | **44.15%** | | **83,672** | **32.04%** | **1,572** | **2,835** |

## CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE ADVANCED INTERNAL RATINGS-BASED APPROACH AT 30 JUNE 2019 (CR6)

| *(in millions of euros)* | PD Scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Average CCF | EAD post CRM and post-CCF | Average PD | Average LGD | Average maturity | RWA | RWA density | EL | Value adjust-ments and provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0,00 à < 0,15 | 69,783 | 2,290 | 63.77% | 81,785 | 0.00% | 1.41% | 616 | 210 | 0.26% | - | - |
| | 0,15 à < 0,25 | 966 | - | 64.11% | 1,644 | 0.16% | 9.97% | 845 | 143 | 8.68% | - | - |
| | 0,25 à < 0,50 | 196 | - | - | 196 | 0.30% | 10.00% | 465 | 19 | 9.76% | - | - |
| | 0,50 à < 0,75 | 581 | 157 | 75.00% | 335 | 0.60% | 9.80% | 399 | 49 | 14.64% | - | - |
| | 0,75 à < 2,50 | 480 | 813 | 74.46% | 92 | 1.00% | 45.41% | 1,048 | 97 | 105.29% | - | - |
| | 2,50 à < 10,00 | 718 | 222 | 72.83% | 55 | 5.00% | 59.64% | 1,368 | 127 | 231.76% | 2 | - |
| | 10,00 à < 100,00 | 128 | 142 | 75.61% | 33 | 15.30% | 70.87% | 1,452 | 146 | 449.41% | 4 | - |
| | 100,00 (défaut) | 69 | - | - | 29 | 100.00% | 45.00% | 1,298 | - | - | 15 | - |
| | **Sous-total** | **72,921** | **3,624** | **63.97%** | **84,168** | **0.06%** | **1.76%** | **620** | **791** | **0.94%** | **21** | **26** |
| Institutions | 0,00 à < 0,15 | 22,465 | 3,379 | 82.51% | 26,115 | 0.03% | 14.39% | 469 | 891 | 3.41% | 1 | - |
| | 0,15 à < 0,25 | 1,410 | 310 | 44.19% | 919 | 0.16% | 36.55% | 794 | 329 | 35.82% | 1 | - |
| | 0,25 à < 0,50 | 902 | 834 | 41.25% | 1,088 | 0.30% | 42.69% | 530 | 390 | 35.87% | 1 | - |
| | 0,50 à < 0,75 | 388 | 843 | 33.79% | 492 | 0.60% | 54.96% | 384 | 365 | 74.09% | 1 | - |
| | 0,75 à < 2,50 | 524 | 985 | 37.00% | 538 | 0.89% | 39.53% | 692 | 422 | 78.42% | 2 | - |
| | 2,50 à < 10,00 | 2 | 148 | 21.28% | 28 | 5.00% | 86.61% | 279 | 84 | 302.77% | 1 | - |
| | 10,00 à < 100,00 | 3 | 24 | 43.75% | 10 | 12.17% | 99.99% | 192 | 40 | 416.58% | 1 | - |
| | 100,00 (défaut) | 379 | - | - | 379 | 100.00% | 45.01% | 615 | - | - | 400 | - |
| | **Sous-total** | **26,073** | **6,521** | **66.53%** | **29,568** | **1.35%** | **17.74%** | **486** | **2,521** | **8.53%** | **408** | **409** |
| Corporates - Other | 0,00 à < 0,15 | 24,750 | 54,268 | 53.56% | 53,647 | 0.04% | 36.30% | 726 | 7,740 | 14.43% | 8 | - |
| | 0,15 à < 0,25 | 11,219 | 15,680 | 55.33% | 17,906 | 0.16% | 43.00% | 897 | 6,558 | 36.63% | 11 | - |
| | 0,25 à < 0,50 | 10,620 | 15,554 | 53.60% | 15,214 | 0.30% | 43.90% | 917 | 7,483 | 49.19% | 17 | - |
| | 0,50 à < 0,75 | 6,936 | 9,044 | 57.75% | 9,059 | 0.60% | 45.16% | 891 | 6,663 | 73.54% | 20 | - |
| | 0,75 à < 2,50 | 10,129 | 9,763 | 57.05% | 10,910 | 1.11% | 48.43% | 1,133 | 10,200 | 93.49% | 46 | - |
| | 2,50 à < 10,00 | 662 | 1,047 | 40.64% | 570 | 5.00% | 37.99% | 1,182 | 678 | 118.99% | 9 | - |
| | 10,00 à < 100,00 | 1,162 | 1,891 | 37.81% | 1,151 | 16.14% | 47.16% | 1,038 | 1,611 | 139.95% | 41 | - |
| | 100,00 (défaut) | 1,579 | 475 | 50.66% | 1,673 | 100.00% | 45.43% | 718 | 153 | 9.14% | 1,212 | - |
| | **Sous-total** | **67,056** | **107,720** | **54.05%** | **110,130** | **1.96%** | **40.63%** | **840** | **41,086** | **37.31%** | **1,364** | **1,686** |
| Corporates - SME | 0,00 à < 0,15 | 19 | 14 | 70.88% | 28 | 0.07% | 37.02% | 1,050 | 5 | 18.69% | - | - |
| | 0,15 à < 0,25 | 37 | 1 | 74.25% | 37 | 0.16% | 48.49% | 1,311 | 21 | 56.78% | - | - |
| | 0,25 à < 0,50 | 5 | 3 | 51.74% | 7 | 0.30% | 47.55% | 922 | 4 | 53.22% | - | - |
| | 0,50 à < 0,75 | 15 | 126 | 31.75% | 44 | 0.60% | 45.37% | 574 | 27 | 61.22% | - | - |
| | 0,75 à < 2,50 | 126 | 167 | 63.93% | 216 | 1.33% | 34.68% | 1,044 | 155 | 71.75% | 1 | - |
| | 2,50 à < 10,00 | 3 | 3 | 71.07% | 5 | 5.00% | 39.83% | 657 | 5 | 99.36% | - | - |
| | 10,00 à < 100,00 | 24 | 2 | 84.83% | 13 | 19.03% | 41.99% | 539 | 27 | 206.07% | 1 | - |
| | 100,00 (défaut) | 6 | 4 | 32.42% | 7 | 100.00% | 45.00% | 343 | - | 0.71% | 4 | - |
| | **Sous-total** | **235** | **318** | **53.28%** | **357** | **3.70%** | **38.40%** | **974** | **244** | **68.23%** | **6** | **6** |
| Corporates - Specialised Lending | 0,00 à < 0,15 | 1,972 | 1,488 | 52.46% | 9,652 | 0.03% | 5.85% | 1,378 | 301 | 3.12% | - | - |
| | 0,15 à < 0,25 | 8,157 | 1,751 | 66.35% | 10,734 | 0.16% | 10.27% | 1,362 | 1,170 | 10.90% | 2 | - |
| | 0,25 à < 0,50 | 11,418 | 3,758 | 56.85% | 11,258 | 0.30% | 11.39% | 1,316 | 1,880 | 16.69% | 4 | - |
| | 0,50 à < 0,75 | 9,109 | 2,778 | 43.66% | 8,638 | 0.60% | 13.34% | 1,186 | 2,092 | 24.22% | 7 | - |
| | 0,75 à < 2,50 | 10,804 | 4,068 | 57.06% | 9,989 | 1.16% | 13.86% | 1,308 | 3,442 | 34.46% | 16 | - |
| | 2,50 à < 10,00 | 1,314 | 142 | 32.63% | 840 | 5.00% | 14.08% | 1,156 | 427 | 50.82% | 6 | - |
| | 10,00 à < 100,00 | 1,365 | 227 | 53.51% | 916 | 15.38% | 19.04% | 1,286 | 843 | 92.06% | 23 | - |
| | 100,00 (défaut) | 1,203 | 28 | 80.13% | 1,187 | 100.00% | 41.21% | 1,115 | 46 | 3.87% | 392 | - |
| | **Sous-total** | **45,344** | **14,239** | **55.27%** | **53,214** | **2.99%** | **11.78%** | **1,306** | **10,200** | **19.17%** | **450** | **663** |
| Retail - Secured by immovable property non SME | 0,00 à < 0,15 | 133,651 | 5,074 | 99.99% | 138,724 | 0.07% | 11.51% | | 3,046 | 2.20% | 11 | - |
| | 0,15 à < 0,25 | 62,856 | 2,215 | 99.94% | 65,070 | 0.19% | 12.09% | | 3,359 | 5.16% | 15 | - |
| | 0,25 à < 0,50 | 68,492 | 3,473 | 99.97% | 71,964 | 0.44% | 11.76% | | 6,675 | 9.28% | 38 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | | - | - | - | - |
| | 0,75 à < 2,50 | 37,443 | 2,419 | 99.98% | 39,862 | 1.34% | 11.66% | | 7,596 | 19.06% | 62 | - |
| | 2,50 à < 10,00 | 32,488 | 2,166 | 100.00% | 34,654 | 4.85% | 12.39% | | 14,841 | 42.83% | 211 | - |
| | 10,00 à < 100,00 | 2,622 | 92 | 100.00% | 2,714 | 26.37% | - | | 2,393 | 88.16% | 104 | - |
| | 100,00 (défaut) | 4,049 | 11 | 38.19% | 4,054 | 100.00% | 38.97% | | 808 | 19.92% | 1,580 | - |
| | **Sous-total** | **341,602** | **15,450** | **99.93%** | **357,042** | **1.91%** | **11.96%** | | **38,718** | **10.84%** | **2,020** | **2,617** |
| Retail - Other SME | 0,00 à < 0,15 | 198 | 5,848 | 77.10% | 4,707 | 0.07% | 38.40% | | 93 | 1.97% | 1 | - |
| | 0,15 à < 0,25 | 150 | 1,633 | 91.30% | 1,641 | 0.19% | 27.48% | | 52 | 3.15% | 1 | - |
| | 0,25 à < 0,50 | 455 | 3,291 | 80.59% | 3,108 | 0.47% | 44.96% | | 326 | 10.48% | 7 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | | - | - | - | - |
| | 0,75 à < 2,50 | 1,101 | 2,325 | 70.86% | 2,748 | 1.58% | 51.85% | | 847 | 30.83% | 24 | - |
| | 2,50 à < 10,00 | 2,151 | 1,684 | 115.30% | 4,093 | 5.26% | 46.87% | | 2,505 | 61.19% | 101 | - |
| | 10,00 à < 100,00 | 231 | 65 | 186.68% | 353 | 31.03% | 45.28% | | 462 | 130.93% | 52 | - |
| | 100,00 (défaut) | 324 | 15 | 7.53% | 325 | 100.00% | 82.81% | | 108 | 33.23% | 269 | - |
| | **Sous-total** | **4,610** | **14,862** | **83.19%** | **16,975** | **3.83%** | **44.18%** | | **4,392** | **25.87%** | **455** | **396** |
| Retail - Qualifying revolving | 0,00 à < 0,15 | 35,296 | 1,504 | 105.79% | 36,917 | 0.08% | 13.94% | | 1,096 | 2.97% | 4 | - |
| | 0,15 à < 0,25 | 15,281 | 621 | 106.37% | 15,975 | 0.19% | 18.38% | | 1,289 | 8.07% | 6 | - |
| | 0,25 à < 0,50 | 18,255 | 944 | 104.88% | 19,298 | 0.45% | 22.34% | | 3,160 | 16.37% | 19 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | | - | - | - | - |
| | 0,75 à < 2,50 | 18,208 | 799 | 105.33% | 19,086 | 1.40% | 37.21% | | 8,686 | 45.51% | 104 | - |
| | 2,50 à < 10,00 | 16,053 | 589 | 105.81% | 16,881 | 4.75% | 36.57% | | 9,673 | 57.30% | 283 | - |
| | 10,00 à < 100,00 | 1,885 | 36 | 105.21% | 2,031 | 10.33% | 12.31% | | 1,748 | 86.06% | 297 | - |
| | 100,00 (défaut) | 3,196 | 8 | 25.35% | 3,198 | 100.00% | 67.48% | | 784 | 24.51% | 2,195 | - |
| | **Sous-total** | **108,175** | **4,502** | **105.46%** | **113,385** | **3.89%** | **24.47%** | | **26,435** | **23.32%** | **2,907** | **3,066** |
| Retail - Secured by immovable property SME | 0,00 à < 0,15 | 1,931 | 39 | 100.12% | 1,970 | 0.15% | 16.59% | | 90 | 4.56% | - | - |
| | 0,15 à < 0,25 | 3,112 | 67 | 100.21% | 3,179 | 0.27% | 18.02% | | 251 | 7.89% | 2 | - |
| | 0,25 à < 0,50 | 4,398 | 94 | 100.03% | 4,491 | 0.54% | 19.20% | | 602 | 13.39% | 5 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | | - | - | - | - |
| | 0,75 à < 2,50 | 5,854 | 267 | 100.13% | 6,121 | 1.40% | 19.13% | | 1,536 | 25.10% | 16 | - |
| | 2,50 à < 10,00 | 4,089 | 169 | 100.01% | 4,257 | 6.40% | 19.18% | | 2,545 | 59.77% | 54 | - |
| | 10,00 à < 100,00 | 785 | 43 | 100.07% | 828 | 7.67% | 5.61% | | 797 | 96.26% | 45 | - |

| | PD Scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Average CCF | EAD post CRM and post-CCF | Average PD | Average LGD | Average maturity | RWA | RWA density | EL | Value adjust-ments and provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 100,00 (défaut) | 844 | 1 | 1.06% | 844 | 100.00% | 63.05% | | 175 | 20.77% | 532 | - |
| | **Sous-total** | **21,013** | **679** | **99.98%** | **21,692** | **5.72%** | **20.07%** | | **5,995** | **27.64%** | **655** | **768** |
| Retail - Other non-SME | 0,00 à < 0,15 | 10,571 | 1,726 | 115.75% | 12,569 | 0.16% | 17.14% | | 942 | 7.49% | 3 | - |
| | 0,15 à < 0,25 | 15,715 | 1,940 | 112.06% | 17,889 | 0.27% | 21.22% | | 2,490 | 13.92% | 10 | - |
| | 0,25 à < 0,50 | 13,959 | 1,483 | 105.06% | 15,517 | 0.52% | 26.22% | | 3,781 | 24.37% | 21 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | | - | - | - | - |
| | 0,75 à < 2,50 | 24,387 | 2,806 | 109.22% | 27,451 | 1.44% | 23.54% | | 8,680 | 31.62% | 93 | - |
| | 2,50 à < 10,00 | 15,431 | 1,630 | 105.38% | 17,148 | 6.38% | 27.36% | | 8,873 | 51.74% | 290 | - |
| | 10,00 à < 100,00 | 3,174 | 273 | 102.10% | 3,453 | 9.35% | - | | 2,641 | 76.49% | 253 | - |
| | 100,00 (défaut) | 3,929 | 180 | 16.44% | 3,959 | 100.00% | 72.35% | | 802 | 20.25% | 2,854 | - |
| | **Sous-total** | **87,167** | **10,037** | **107.80%** | **97,986** | **5.82%** | **24.69%** | | **28,208** | **28.79%** | **3,524** | **4,293** |
| **Total (all portfolios)** | | **774,195** | **177,952** | **66.26%** | **884,517** | **2.56%** | **18.53%** | | **158,590** | **17.93%** | **11,810** | **13,931** |

## CREDIT RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2018 (CR6)

| *(in millions of euros)* | PD Scale | Original on-balance sheet gross exposure | Off-balance sheet exposures pre CCF | Average CCF | EAD post CRM and post-CCF | Average PD | Average LGD | Average maturity | RWA | RWA density | EL | Value adjust-ments and provisions |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0,00 à < 0,15 | 68,908 | 2,890 | 66.98% | 81,026 | 0.01% | 1.40% | 614 | 227 | 0.28% | - | - |
| | 0,15 à < 0,25 | 453 | - | 64.06% | 1,166 | 0.16% | 10.00% | 1,031 | 116 | 9.99% | - | - |
| | 0,25 à < 0,50 | 378 | - | - | 378 | 0.30% | 9.98% | 404 | 36 | 9.52% | - | - |
| | 0,50 à < 0,75 | 775 | 214 | 75.00% | 323 | 0.60% | 10.00% | 559 | 47 | 14.65% | - | - |
| | 0,75 à < 2,50 | 296 | 490 | 75.00% | 45 | 1.24% | 46.88% | 1,331 | 58 | 127.73% | - | - |
| | 2,50 à < 10,00 | 685 | 315 | 73.86% | 82 | 5.00% | 59.76% | 1,459 | 140 | 171.06% | 2 | - |
| | 10,00 à < 100,00 | 84 | 108 | 76.34% | 26 | 12.41% | 77.60% | 1,126 | 104 | 402.17% | 3 | - |
| | 100,00 (défaut) | 78 | - | - | 31 | 100.00% | 45.00% | 1,367 | - | 1.04% | 17 | - |
| | **Sous-total** | **71,657** | **4,017** | **66.96%** | **83,077** | **0.06%** | **1.72%** | **620** | **729** | **0.88%** | **22** | **25** |
| Institutions | 0,00 à < 0,15 | 18,781 | 3,582 | 87.34% | 22,845 | 0.03% | 12.83% | 522 | 856 | 3.75% | 1 | - |
| | 0,15 à < 0,25 | 814 | 492 | 48.31% | 512 | 0.16% | 38.47% | 757 | 233 | 45.49% | - | - |
| | 0,25 à < 0,50 | 789 | 1,165 | 39.05% | 1,139 | 0.30% | 42.29% | 529 | 437 | 38.33% | 1 | - |
| | 0,50 à < 0,75 | 404 | 712 | 44.53% | 568 | 0.60% | 52.59% | 427 | 384 | 67.69% | 1 | - |
| | 0,75 à < 2,50 | 842 | 1,087 | 41.63% | 862 | 0.96% | 39.11% | 543 | 632 | 73.37% | 3 | - |
| | 2,50 à < 10,00 | 47 | 87 | 20.81% | 21 | 5.00% | 56.40% | 438 | 56 | 267.61% | 1 | - |
| | 10,00 à < 100,00 | 95 | 24 | 27.69% | 100 | 19.48% | 39.01% | 1,639 | 229 | 228.88% | 7 | - |
| | 100,00 (défaut) | 377 | - | - | 377 | 100.00% | 45.01% | 625 | - | - | 394 | - |
| | **Sous-total** | **22,148** | **7,148** | **70.31%** | **26,423** | **1.59%** | **16.90%** | **531** | **2,828** | **10.70%** | **409** | **399** |
| Corporates - Other | 0,00 à < 0,15 | 24,839 | 52,452 | 54.46% | 52,758 | 0.04% | 35.64% | 733 | 7,543 | 14.30% | 8 | - |
| | 0,15 à < 0,25 | 10,366 | 15,375 | 57.43% | 16,753 | 0.16% | 43.50% | 972 | 6,201 | 37.01% | 10 | - |
| | 0,25 à < 0,50 | 7,098 | 16,843 | 48.25% | 11,804 | 0.30% | 49.49% | 958 | 6,315 | 53.50% | 14 | - |
| | 0,50 à < 0,75 | 7,763 | 8,937 | 59.17% | 9,508 | 0.60% | 45.77% | 918 | 6,771 | 71.22% | 21 | - |
| | 0,75 à < 2,50 | 8,218 | 10,956 | 56.01% | 10,567 | 1.10% | 45.60% | 1,108 | 9,762 | 92.38% | 43 | - |
| | 2,50 à < 10,00 | 495 | 636 | 55.96% | 304 | 5.00% | 50.28% | 772 | 418 | 137.69% | 6 | - |
| | 10,00 à < 100,00 | 944 | 1,704 | 36.14% | 953 | 15.54% | 41.72% | 1,003 | 1,595 | 167.30% | 49 | - |
| | 100,00 (défaut) | 1,575 | 283 | 43.77% | 1,580 | 100.00% | 45.12% | 843 | 11 | 0.72% | 1,310 | - |
| | **Sous-total** | **61,298** | **107,185** | **54.14%** | **104,226** | **1.92%** | **40.65%** | **856** | **38,617** | **37.05%** | **1,461** | **1,794** |
| Corporates - SME | 0,00 à < 0,15 | 6 | 4 | 20.00% | 6 | 0.06% | 46.61% | 1,443 | 2 | 24.78% | - | - |
| | 0,15 à < 0,25 | 2 | - | 100.00% | 2 | 0.16% | 48.16% | 619 | 1 | 29.32% | - | - |
| | 0,25 à < 0,50 | 3 | 3 | 54.78% | 4 | 0.30% | 47.60% | 1,104 | 3 | 60.56% | - | - |
| | 0,50 à < 0,75 | 20 | 142 | 75.85% | 36 | 0.60% | 35.76% | 623 | 17 | 48.13% | - | - |
| | 0,75 à < 2,50 | 127 | 247 | 49.36% | 218 | 1.33% | 36.09% | 1,053 | 161 | 73.93% | 1 | - |
| | 2,50 à < 10,00 | 10 | 1 | 63.61% | 10 | 5.00% | 38.42% | 1,134 | 10 | 108.87% | - | - |
| | 10,00 à < 100,00 | 51 | 163 | 75.10% | 161 | 19.65% | 45.90% | 1,626 | 164 | 101.40% | 4 | - |
| | 100,00 (défaut) | 7 | - | 84.72% | 8 | 100.00% | 45.05% | 402 | - | 0.00% | 4 | - |
| | **Sous-total** | **227** | **558** | **60.43%** | **445** | **9.63%** | **40.14%** | **1,221** | **357** | **80.28%** | **9** | **7** |
| Corporates - Specialised Lending | 0,00 à < 0,15 | 1,757 | 1,419 | 51.18% | 9,192 | 0.03% | 5.50% | 1,354 | 259 | 2.82% | - | - |
| | 0,15 à < 0,25 | 8,036 | 2,429 | 68.05% | 10,219 | 0.16% | 9.73% | 1,350 | 1,046 | 10.24% | 1 | - |
| | 0,25 à < 0,50 | 10,573 | 2,943 | 63.51% | 10,421 | 0.30% | 12.23% | 1,313 | 1,801 | 17.28% | 4 | - |
| | 0,50 à < 0,75 | 8,274 | 2,583 | 43.08% | 7,862 | 0.60% | 11.76% | 1,290 | 1,736 | 22.09% | 5 | - |
| | 0,75 à < 2,50 | 10,506 | 3,679 | 57.63% | 9,774 | 1.12% | 14.37% | 1,280 | 3,234 | 33.09% | 15 | - |
| | 2,50 à < 10,00 | 1,301 | 161 | 40.18% | 1,036 | 5.00% | 15.65% | 1,121 | 559 | 53.97% | 8 | - |
| | 10,00 à < 100,00 | 1,672 | 241 | 59.39% | 1,127 | 15.74% | 19.58% | 1,111 | 1,134 | 100.60% | 35 | - |
| | 100,00 (défaut) | 1,195 | 29 | 78.00% | 1,159 | 100.00% | 41.97% | 1,093 | 62 | 5.39% | 421 | - |
| | **Sous-total** | **43,314** | **13,484** | **56.90%** | **50,790** | **3.14%** | **11.76%** | **1,304** | **9,832** | **19.36%** | **489** | **761** |
| Retail - Secured by immovable property non SME | 0,00 à < 0,15 | 127,687 | 4,746 | 99.99% | 132,433 | 0.07% | 12.18% | - | 3,111 | 2.35% | 11 | - |
| | 0,15 à < 0,25 | 56,232 | 1,961 | 99.97% | 58,193 | 0.17% | 12.82% | - | 3,130 | 5.38% | 13 | - |
| | 0,25 à < 0,50 | 55,467 | 2,634 | 99.97% | 58,100 | 0.40% | 12.27% | - | 5,273 | 9.08% | 28 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | - | - | - | - | - |
| | 0,75 à < 2,50 | 51,710 | 2,999 | 99.99% | 54,709 | 1.16% | 12.36% | - | 10,187 | 18.62% | 78 | - |
| | 2,50 à < 10,00 | 31,339 | 2,100 | 99.99% | 33,439 | 5.09% | 12.77% | - | 15,429 | 46.14% | 219 | - |
| | 10,00 à < 100,00 | 2,624 | 85 | 100.00% | 2,709 | 26.78% | - | - | 2,417 | 89.22% | 104 | - |
| | 100,00 (défaut) | 4,016 | 8 | 30.40% | 4,018 | 100.00% | 63.62% | - | 1,370 | 34.09% | 2,556 | - |
| | **Sous-total** | **329,075** | **14,533** | **99.95%** | **343,600** | **1.94%** | **12.88%** | **-** | **40,918** | **11.91%** | **3,009** | **2,612** |
| Retail - Other SME | 0,00 à < 0,15 | 241 | 5,800 | 56.60% | 3,524 | 0.07% | 60.55% | - | 269 | 7.63% | 2 | - |
| | 0,15 à < 0,25 | 145 | 1,567 | 58.77% | 1,066 | 0.18% | 54.20% | - | 229 | 21.43% | 1 | - |
| | 0,25 à < 0,50 | 367 | 2,884 | 62.86% | 2,179 | 0.42% | 61.13% | - | 484 | 22.19% | 6 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | - | - | - | - | - |
| | 0,75 à < 2,50 | 1,223 | 2,622 | 62.89% | 2,872 | 1.48% | 58.45% | - | 1,245 | 43.36% | 26 | - |
| | 2,50 à < 10,00 | 2,168 | 1,557 | 78.41% | 3,389 | 5.26% | 58.41% | - | 2,769 | 81.71% | 104 | - |
| | 10,00 à < 100,00 | 234 | 71 | 84.97% | 295 | 32.74% | 58.36% | - | 479 | 162.60% | 55 | - |
| | 100,00 (défaut) | 338 | 15 | 7.53% | 339 | 100.00% | 85.08% | - | 69 | 20.46% | 289 | - |
| | **Sous-total** | **4,717** | **14,516** | **61.64%** | **13,665** | **4.58%** | **60.13%** | **-** | **5,544** | **40.57%** | **482** | **423** |
| | 0,00 à < 0,15 | 35,415 | 1,372 | 96.57% | 36,740 | 0.07% | 16.53% | - | 1,280 | 3.48% | 4 | - |

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Retail - Qualifying revolving | 0,15 à < 0,25 | 13,390 | 562 | 97.53% | 13,938 | 0.18% | 21.12% | - | 1,262 | 9.06% | 5 | - |
| | 0,25 à < 0,50 | 15,627 | 797 | 99.58% | 16,421 | 0.40% | 24.59% | - | 2,858 | 17.40% | 17 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | - | - | - | - | - |
| | 0,75 à < 2,50 | 21,800 | 919 | 102.30% | 22,740 | 1.27% | 35.04% | - | 9,558 | 42.03% | 109 | - |
| | 2,50 à < 10,00 | 15,887 | 496 | 101.21% | 16,390 | 4.84% | 37.94% | - | 9,806 | 59.83% | 283 | - |
| | 10,00 à < 100,00 | 1,854 | 26 | 104.51% | 1,882 | 10.30% | 14.67% | - | 1,712 | 90.99% | 295 | - |
| | 100,00 (défaut) | 3,266 | 10 | 31.99% | 3,271 | 100.00% | 75.47% | - | 852 | 26.04% | 2,515 | - |
| | **Sous-total** | **107,238** | **4,183** | **98.98%** | **111,382** | **3.99%** | **26.72%** | **-** | **27,328** | **24.54%** | **3,229** | **3,140** |
| Retail - Secured by immovable property SME | 0,00 à < 0,15 | 1,412 | 21 | 99.92% | 1,433 | 0.15% | 25.57% | - | 107 | 7.50% | 1 | - |
| | 0,15 à < 0,25 | 1,053 | 21 | 99.85% | 1,074 | 0.19% | 15.25% | - | 54 | 5.00% | - | - |
| | 0,25 à < 0,50 | 6,635 | 140 | 99.84% | 6,774 | 0.49% | 22.19% | - | 1,005 | 14.83% | 7 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | - | - | - | - | - |
| | 0,75 à < 2,50 | 5,650 | 237 | 100.00% | 5,887 | 1.55% | 20.79% | - | 1,769 | 30.05% | 19 | - |
| | 2,50 à < 10,00 | 4,079 | 163 | 99.98% | 4,241 | 7.07% | 21.23% | - | 3,020 | 71.20% | 66 | - |
| | 10,00 à < 100,00 | 856 | 45 | 100.00% | 901 | 2.64% | 2.09% | - | 943 | 104.71% | 53 | - |
| | 100,00 (défaut) | 847 | 1 | 0.01% | 847 | 100.00% | 70.99% | - | 229 | 26.99% | 601 | - |
| | **Sous-total** | **20,532** | **627** | **99.87%** | **21,157** | **5.80%** | **22.52%** | **-** | **7,127** | **33.69%** | **748** | **765** |
| Retail - Other non-SME | 0,00 à < 0,15 | 4,674 | 686 | 85.40% | 5,260 | 0.16% | 31.25% | - | 754 | 14.34% | 3 | - |
| | 0,15 à < 0,25 | 9,109 | 1,263 | 85.98% | 10,195 | 0.18% | 18.11% | - | 1,024 | 10.04% | 3 | - |
| | 0,25 à < 0,50 | 25,498 | 3,265 | 86.24% | 28,314 | 0.45% | 24.35% | - | 5,954 | 21.03% | 33 | - |
| | 0,50 à < 0,75 | - | - | - | - | - | - | - | - | - | - | - |
| | 0,75 à < 2,50 | 22,733 | 2,763 | 89.49% | 25,206 | 1.62% | 25.03% | - | 8,796 | 34.90% | 100 | - |
| | 2,50 à < 10,00 | 15,049 | 1,613 | 90.95% | 16,516 | 7.01% | 28.95% | - | 9,260 | 56.06% | 322 | - |
| | 10,00 à < 100,00 | 3,290 | 308 | 93.99% | 3,579 | 2.89% | - | - | 2,977 | 83.19% | 297 | - |
| | 100,00 (défaut) | 3,881 | 190 | 13.93% | 3,908 | 100.00% | 79.13% | - | 1,042 | 26.66% | 3,092 | - |
| | **Sous-total** | **84,234** | **10,088** | **86.67%** | **92,978** | **5.89%** | **26.35%** | **-** | **29,807** | **32.06%** | **3,851** | **4,198** |
| **Total (all portfolios)** | | **744,439** | **176,340** | **63.40%** | **847,744** | **2.59%** | **19.46%** | **-** | **163,086** | **19.24%** | **13,708** | **14,124** |

### 3.2.2.3 Use of credit derivatives for hedging purposes

**EFFECT OF CREDIT DERIVATIVES ON RISK-WEIGHTED ASSETS (CR7)**

**30/06/2019**

| | *(in millions of euros)* | Pre-credit derivatives RWAs | Actual RWAs |
|---|---|---|---|
| **1** | **Exposures under FIRB** | **-** | **-** |
| 2 | Central governments and central banks | - | - |
| 3 | Institutions | - | - |
| 4 | Corporates – SMEs | - | - |
| 5 | Corporates – Specialised lending | - | - |
| 6 | Corporates – Other | - | - |
| **7** | **Exposures under AIRB** | **-** | **-** |
| 8 | Central governments and central banks | 2 | 0 |
| 9 | Institutions | 6 | 6 |
| 10 | Corporates – SMEs | 4,918 | 3,522 |
| 11 | Corporates – Specialised lending | 1 | 1 |
| 12 | Corporates – Other | - | - |
| 13 | Retail – Secured by real estate SMEs | - | - |
| 14 | Retail – Secured by real estate non-SMEs | - | - |
| 15 | Retail – Qualifying revolving | - | - |
| 16 | Retail – Other SMEs | - | - |
| 17 | Retail – Other non-SMEs | - | - |
| 18 | Equity IRB | - | - |
| 19 | Other non credit obligation assets | - | - |
| **20** | **TOTAL** | **4,928** | **3,529** |

### 3.2.2.4 Change in RWA between 31/12/2018 and 30/06/2019

**STATEMENT OF RISK-WEIGHTED ASSET (RWA) FLOWS FOR CREDIT RISK EXPOSURES UNDER THE INTERNAL RATINGS-BASED APPROACH (CR8)**

**30/06/2019**

| | *(in millions of euros)* | RWA amounts | Capital requirements |
|---|---|---|---|
| **1** | **RWAs as at the end of the previous reporting period (31/12/2018)** | **319,611** | **25,569** |
| 2 | Asset size | 10,130 | 810 |
| 3 | Asset quality | 851 | 68 |
| 4 | Model updates | (11,609) | (929) |
| 5 | Methodology and policy | - | - |
| 6 | Acquisitions and disposals | 279 | 22 |
| 7 | Foreign exchange movements | 264 | 21 |
| 8 | Other | 2,112 | 169 |
| **9** | **RWAs as at the end of the reporting period (30/06/2019)** | **321,637** | **25,731** |

### 3.2.3 Counterparty credit risk

Crédit Agricole S.A. and its subsidiaries calculate counterparty risk for all their exposures, whether in the banking book or the trading book. For items in the trading book, counterparty risk is calculated in accordance with the provisions relating to the regulatory supervision of market risk.

The regulatory treatment of counterparty risk on transactions on forward financial instruments in the banking portfolio is defined on a regulatory basis in Regulation (EU) 575/2013 of 26 June 2013.Crédit Agricole S.A Group uses the market price method to measure its exposure to counterparty risk on transactions on forward financial instruments in the banking portfolio (Article 274) or the internal model method (Article 283) within the scope of Crédit Agricole CIB.

#### 3.2.3.1 Analysis of exposure to counterparty risk

**EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 30 JUNE 2019**

| 30/06/2019 | Standard | | | IRB | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(en milliards d'euros)* | Exposition brute | EAD | RWA | Exposition brute | EAD | RWA | Exposition brute | EAD | RWA | Exigence de fonds propres |
| Administrations centrales et banques centrales | 2.5 | 2.5 | 0.0 | 6.9 | 6.9 | 0.2 | 9.4 | 9.4 | 0.2 | 0.0 |
| Établissements | 17.4 | 15.1 | 1.4 | 23.2 | 23.7 | 4.1 | 40.6 | 38.8 | 5.6 | 0.4 |
| Entreprises | 3.2 | 2.3 | 2.1 | 22.5 | 22.0 | 8.2 | 25.7 | 24.3 | 10.3 | 0.8 |
| Clientèle de détail | - | - | - | - | - | - | - | - | - | - |
| Actions | - | - | - | - | - | - | - | - | - | - |
| Titrisations | - | - | - | - | - | - | - | - | - | - |
| Autres actifs ne correspondant pas à une obligation de crédit | - | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **23.1** | **19.9** | **3.6** | **52.6** | **52.6** | **12.5** | **75.7** | **72.5** | **16.1** | **1.3** |

**EXPOSURE TO COUNTERPARTY RISK BY APPROACH AT 31 DECEMBER 2018**

| 31/12/2018 | Standard | | | IRB | | | Total | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| *(in billions of euros)* | Gross Exposure | EAD | RWA | Gross Exposure | EAD | RWA | Gross Exposure | EAD | RWA | Capital Requirement |
| Central governments and central banks | 2.3 | 2.3 | 0.0 | 7.6 | 7.6 | 0.1 | 9.9 | 9.9 | 0.1 | 0.0 |
| Institutions | 15.7 | 15.0 | 1.6 | 20.4 | 21.0 | 3.9 | 36.1 | 35.9 | 5.5 | 0.4 |
| Corporates | 2.3 | 1.9 | 1.8 | 22.9 | 22.2 | 7.1 | 25.2 | 24.1 | 8.9 | 0.7 |
| Retail Customers | - | - | - | - | - | - | - | - | - | - |
| Shares | - | - | - | - | - | - | - | - | - | - |
| Securitisations | - | - | - | - | - | - | - | - | - | - |
| Other non credit-obigation assets | - | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **20.3** | **19.2** | **3.4** | **51.0** | **50.7** | **11.2** | **71.2** | **69.9** | **14.6** | **1.2** |

### 3.2.3.2 Exposure to counterparty risk by approach

**ANALYSIS OF EXPOSURE TO COUNTERPARTY RISK BY APPROACH (CCR1)**

| | 30/06/2019<br>*(in millions of euros)* | Notional | Replacement cost/current market value | Potential future credit exposure | EEPE | Multiplier | EAD post CRM | RWAs |
|---|---|---|---|---|---|---|---|---|
| 1 | Mark to market | - | 5,963 | 2,595 | | | 4,627 | 2,280 |
| 2 | Original exposure | - | | | | | | |
| 3 | Standardised approach | - | | | | | | |
| 4 | IMM (for derivatives and SFTs) | - | | | 23,308 | 1.5 | 34,962 | 9,047 |
| 5 | Of which securities financing transactions | - | | | | | | |
| 6 | Of which derivatives and long settlement transactions | - | | | 23,308 | 1.5 | 34,962 | 9,047 |
| 7 | Of which from contractual cross- product netting | - | | | | | | |
| 8 | Financial collateral simple method (for SFTs) | - | | | | | | |
| 9 | Financial collateral comprehensive method (for SFTs) | - | | | | | 23,536 | 3,448 |
| 10 | VaR for SFTs | - | | | | | | |
| **11** | **TOTAL 30/06/2019** | **-** | | | | | | **14,775** |
| | **TOTAL 31/12/2018** | | | | | | | **13,036** |

### 3.2.3.3 Exposure to counterparty risk under the standardised approach

#### EXPOSURES TO COUNTERPARTY RISK UNDER THE STANDARDISED APPROACH BY REGULATORY PORTFOLIO AND BY RISK WEIGHTING AT 30 JUNE 2019 (CCR3)

| 30/06/2019 | Risk weight | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Exposure classes<br>*(in millions of euros)* | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | Autres | Total Exposure to credit risk | o/w unrated |
| Central governments or central banks | 2,499 | - | - | - | - | - | 2 | - | - | 3 | - | - | 2,503 | 2,503 |
| Regional governments or local authorities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public sector entities | 9 | - | - | - | 7 | - | 3 | - | - | - | - | - | 19 | 10 |
| Multilateral developments banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks (Institutions) | - | 12,195 | - | - | 1,086 | - | 1,634 | - | - | 156 | 4 | - | 15,076 | 12,670 |
| Corporate | - | - | - | - | 16 | - | 397 | - | - | 1,878 | 32 | - | 2,323 | 1,497 |
| Retail | - | - | - | - | - | - | - | - | 5 | - | - | - | 5 | 5 |
| Default | - | - | - | - | - | - | - | - | - | - | 2 | - | 2 | - |
| Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other items | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **2,508** | **12,195** | **-** | **-** | **1,109** | **-** | **2,036** | **-** | **5** | **2,037** | **37** | **-** | **19,928** | **16,685** |

#### EXPOSURES TO COUNTERPARTY RISK UNDER THE STANDARDISED APPROACH BY REGULATORY PORTFOLIO AND BY RISK WEIGHTING AT 31 DECEMBER 2018 (CCR3)

| 31/12/2018 | Risk weight | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Exposure classes<br>*(in millions of euros)* | 0% | 2% | 4% | 10% | 20% | 35% | 50% | 70% | 75% | 100% | 150% | Autres | Total Exposure to credit risk | o/w unrated |
| Central governments or central banks | 2,226 | - | - | - | 45 | - | 1 | - | - | 3 | - | - | 2,276 | 2,276 |
| Regional governments or local authorities | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Public sector entities | 4 | - | - | - | 6 | - | 2 | - | - | - | - | - | 12 | 5 |
| Multilateral developments banks | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| International organisations | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Banks (Institutions) | 3 | 9,899 | - | - | 3,979 | - | 1,010 | - | - | 61 | 13 | - | 14,966 | 13,387 |
| Corporate | - | - | - | - | 17 | - | 186 | - | - | 1,693 | 13 | - | 1,909 | 1,418 |
| Retail | - | - | - | - | - | - | - | - | 4 | - | - | - | 4 | 4 |
| Default | - | - | - | - | - | - | - | - | - | - | 2 | - | 2 | - |
| Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Other items | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| **TOTAL** | **2,232** | **9,899** | **-** | **-** | **4,048** | **-** | **1,200** | **-** | **4** | **1,757** | **28** | **-** | **19,169** | **17,091** |

### 3.2.3.4 Exposure to counterparty risk under the advanced approach

**COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR FOUNDATION INTERNAL RATINGS-BASED AT 30 JUNE 2019 (CCR4)**

| 30/06/2019<br>*(in millions of euros)* | PD scale | EAD post-CRM | average PD | Average LGD | Average maturity | RWA | RWA density |
|---|---|---|---|---|---|---|---|
| Institutions | 0.00 to <0.15 | 655 | 0.03% | 42.82% | - | 123 | 18.79% |
| | 0.15 to <0.25 | 69 | 0.16% | 37.71% | - | 30 | 44.12% |
| | 0.25 to <0.50 | 1 | 0.30% | 45.00% | - | - | 57.64% |
| | 0.50 to <0.75 | 17 | 0.60% | 44.88% | - | 17 | 1.04034 |
| | 0.75 to <2.50 | - | 1.90% | 40.00% | - | - | 131.39% |
| | 2.50 to <10.00 | - | - | - | - | - | - |
| | 10.00 to <100.00 | - | 20.00% | 44.90% | - | 1 | 286.68% |
| | 100.00 (Default) | - | - | - | - | - | - |
| | **Sub-total** | **741** | **0.06%** | **42.39%** | **-** | **172** | **23.17%** |
| Corporates - Other | 0.00 to <0.15 | 27 | 0.04% | 44.85% | - | 4 | 14.76% |
| | 0.15 to <0.25 | 16 | 0.16% | 44.57% | - | 7 | 45.11% |
| | 0.25 to <0.50 | 80 | 0.30% | 44.48% | - | 49 | 61.58% |
| | 0.50 to <0.75 | 66 | 0.60% | 44.37% | - | 56 | 84.20% |
| | 0.75 to <2.50 | 56 | 1.24% | 44.07% | - | 65 | 115.00% |
| | 2.50 to <10.00 | 1 | 5.00% | 43.49% | - | 3 | 175.51% |
| | 10.00 to <100.00 | 5 | 19.47% | 44.46% | - | 13 | 274.70% |
| | 100.00 (Default) | - | 100.00% | 44.74% | - | - | - |
| | **Sub-total** | **252** | **1.08%** | **44.40%** | **-** | **196** | **77.91%** |
| **TOTAL** | | **1,091** | **0.69%** | **42.94%** | **-** | **454** | **41.64%** |

**COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR FOUNDATION INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2018 (CCR4)**

| 31/12/2018<br>*(in millions of euros)* | PD scale | EAD post-CRM | average PD | Average LGD | Average maturity | RWA | RWA density |
|---|---|---|---|---|---|---|---|
| Institutions | 0.00 to <0.15 | 578 | 0.03% | 42.45% | - | 118 | 20.43% |
| | 0.15 to <0.25 | 75 | 0.16% | 41.10% | - | 32 | 42.29% |
| | 0.25 to <0.50 | 2 | 0.30% | 42.14% | - | 1 | 65.48% |
| | 0.50 to <0.75 | 20 | 0.60% | 44.84% | - | 21 | 104.03% |
| | 0.75 to <2.50 | - | 1.90% | 44.59% | - | - | 131.38% |
| | 2.50 to <10.00 | - | - | - | - | - | - |
| | 10.00 to <100.00 | 1 | 20.00% | 45.00% | - | 3 | 286.68% |
| | 100.00 (Default) | - | - | - | - | - | - |
| | **Sub-total** | **676** | **0.09%** | **42.37%** | **-** | **174** | **25.82%** |
| Corporates - Other | 0.00 to <0.15 | 23 | 0.04% | 44.83% | - | 4 | 16.52% |
| | 0.15 to <0.25 | 14 | 0.16% | 44.59% | - | 7 | 45.47% |
| | 0.25 to <0.50 | 48 | 0.30% | 44.54% | - | 30 | 61.84% |
| | 0.50 to <0.75 | 40 | 0.60% | 44.38% | - | 34 | 85.53% |
| | 0.75 to <2.50 | 35 | 1.28% | 43.95% | - | 41 | 116.52% |
| | 2.50 to <10.00 | 2 | 5.00% | 43.79% | - | 4 | 174.80% |
| | 10.00 to <100.00 | 3 | 19.03% | 44.38% | - | 9 | 271.69% |
| | 100.00 (Default) | - | 100.00% | 44.67% | - | - | - |
| | **Sub-total** | **166** | **1.17%** | **44.41%** | **-** | **128** | **77.10%** |
| **TOTAL** | | **919** | **0.56%** | **42.83%** | **-** | **368** | **40.09%** |

## COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR ADVANCED INTERNAL RATINGS-BASED APPROACH AT 30 JUNE 2019 (CCR4)

| **30/06/2019**<br>*(in millions of euros)* | PD scale | EAD post-CRM | average PD | Average LGD | Average maturity | RWA | RWA density |
|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0.00 to <0.15 | 6,360 | 0.01% | 1.24% | 1,049 | 16 | 0.25% |
| | 0.15 to <0.25 | 105 | 0.16% | 9.97% | 845 | 9 | 8.38% |
| | 0.25 to <0.50 | 63 | 0.30% | 10.00% | 465 | 6 | 9.96% |
| | 0.50 to <0.75 | 269 | 0.60% | 9.80% | 399 | 32 | 11.89% |
| | 0.75 to <2.50 | 52 | 1.36% | 46.14% | 1,434 | 63 | 121.35% |
| | 2.50 to <10.00 | - | - | - | | - | - |
| | 10.00 to <100.00 | 41 | 19.97% | 54.10% | 1,745 | 115 | 279.05% |
| | 100.00 (Default) | - | - | - | | - | - |
| | **Sub-total** | **6,891** | **0.17%** | **2.44%** | **1,022** | **241** | **3.50%** |
| Institutions | 0.00 to <0.15 | 18,491 | 0.03% | 16.84% | 525 | 1,601 | 8.66% |
| | 0.15 to <0.25 | 1,790 | 0.16% | 36.55% | 794 | 732 | 40.90% |
| | 0.25 to <0.50 | 1,345 | 0.30% | 42.69% | 530 | 758 | 56.33% |
| | 0.50 to <0.75 | 485 | 0.60% | 54.96% | 384 | 392 | 80.71% |
| | 0.75 to <2.50 | 883 | 0.82% | 36.64% | 742 | 342 | 38.71% |
| | 2.50 to <10.00 | 36 | 5.00% | 86.61% | 279 | 96 | 269.57% |
| | 10.00 to <100.00 | 24 | 19.87% | 45.12% | 370 | 56 | 232.56% |
| | 100.00 (Default) | - | 100.00% | 45.01% | 615 | - | 59.57% |
| | **Sub-total** | **23,053** | **0.12%** | **21.41%** | **549** | **3,976** | **17.25%** |
| Corporates - Other | 0.00 to <0.15 | 9,566 | 0.04% | 35.96% | 693 | 1,229 | 12.85% |
| | 0.15 to <0.25 | 2,070 | 0.16% | 43.00% | 897 | 917 | 44.29% |
| | 0.25 to <0.50 | 2,540 | 0.30% | 43.90% | 917 | 1,254 | 49.37% |
| | 0.50 to <0.75 | 2,028 | 0.60% | 45.16% | 891 | 1,306 | 64.43% |
| | 0.75 to <2.50 | 1,894 | 1.03% | 47.82% | 1,124 | 1,549 | 81.79% |
| | 2.50 to <10.00 | 129 | 5.00% | 37.99% | 1,182 | 155 | 120.80% |
| | 10.00 to <100.00 | 204 | 18.64% | 52.34% | 968 | 662 | 324.79% |
| | 100.00 (Default) | 79 | 100.00% | 45.43% | 718 | 46 | 58.53% |
| | **Sub-total** | **18,508** | **0.92%** | **40.28%** | **818** | **7,119** | **38.46%** |
| Corporates - SME | 0.00 to <0.15 | 66 | 0.03% | 47.46% | 1,274 | 14 | 21.45% |
| | 0.15 to <0.25 | 3 | 0.16% | 48.49% | 1,311 | 1 | 38.69% |
| | 0.25 to <0.50 | 4 | 0.30% | 47.55% | 922 | 2 | 58.13% |
| | 0.50 to <0.75 | 2 | 0.60% | 45.37% | 574 | 2 | 94.81% |
| | 0.75 to <2.50 | 32 | 1.32% | 37.54% | 1,125 | 37 | 1.1352 |
| | 2.50 to <10.00 | 3 | 5.00% | 39.83% | 657 | 4 | 169.15% |
| | 10.00 to <100.00 | 2 | 19.89% | 44.90% | 502 | 7 | 275.30% |
| | 100.00 (Default) | - | - | - | | - | - |
| | **Sub-total** | **112** | **0.96%** | **44.36%** | **1,174** | **67** | **59.95%** |
| Corporates - Specialised lending | 0.00 to <0.15 | 628 | 0.06% | 10.25% | 1,348 | 36 | 5.73% |
| | 0.15 to <0.25 | 912 | 0.16% | 10.27% | 1,362 | 150 | 16.41% |
| | 0.25 to <0.50 | 575 | 0.30% | 11.39% | 1,316 | 92 | 16.09% |
| | 0.50 to <0.75 | 487 | 0.60% | 13.34% | 1,186 | 95 | 19.47% |
| | 0.75 to <2.50 | 398 | 1.06% | 12.76% | 1,299 | 147 | 37.02% |
| | 2.50 to <10.00 | 34 | 5.00% | 14.08% | 1,156 | 11 | 31.79% |
| | 10.00 to <100.00 | 104 | 14.60% | 19.18% | 1,248 | 159 | 152.11% |
| | 100.00 (Default) | 5 | 100.00% | 41.21% | 1,115 | - | - |
| | **Sub-total** | **3,144** | **1.06%** | **11.66%** | **1,309** | **690** | **21.95%** |
| **TOTAL** | | **51,714** | **0.47%** | **25.08%** | **-** | **12,097** | **23.39%** |

## COUNTERPARTY RISK EXPOSURES BY PORTFOLIO AND PROBABILITY OF DEFAULT (PD) RANGE, SUPERVISORY PORTFOLIOS FOR ADVANCED INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2018 (CCR4)

| 31/12/2018 *(in millions of euros)* | PD scale | EAD post-CRM | average PD | Average LGD | Average maturity | RWA | RWA density |
|---|---|---|---|---|---|---|---|
| Central governments and central banks | 0.00 to <0.15 | 7,201 | 0.01% | 1.29% | 1,050 | 18 | 0.25% |
| | 0.15 to <0.25 | 172 | 0.16% | 10.00% | 1,031 | 14 | 7.89% |
| | 0.25 to <0.50 | 106 | 0.30% | 9.98% | 404 | 9 | 8.92% |
| | 0.50 to <0.75 | 74 | 0.60% | 10.00% | 559 | 12 | 16.70% |
| | 0.75 to <2.50 | 54 | 1.19% | 45.70% | 1,333 | 59 | 110.76% |
| | 2.50 to <10.00 | - | - | - | | - | - |
| | 10.00 to <100.00 | 5 | 19.85% | 56.70% | 1,139 | 12 | 264.80% |
| | 100.00 (Default) | - | - | - | | - | - |
| | **Sub-total** | **7,612** | **0.04%** | **2.03%** | **1,037** | **125** | **1.64%** |
| Institutions | 0.00 to <0.15 | 15,702 | 0.03% | 14.90% | 556 | 1,310 | 8.34% |
| | 0.15 to <0.25 | 1,885 | 0.16% | 38.47% | 757 | 715 | 37.94% |
| | 0.25 to <0.50 | 1,362 | 0.30% | 42.29% | 529 | 772 | 56.66% |
| | 0.50 to <0.75 | 474 | 0.60% | 52.59% | 427 | 420 | 88.63% |
| | 0.75 to <2.50 | 838 | 0.81% | 31.07% | 771 | 270 | 32.21% |
| | 2.50 to <10.00 | 12 | 5.00% | 56.40% | 438 | 34 | 293.57% |
| | 10.00 to <100.00 | 113 | 19.99% | 35.50% | 1,738 | 242 | 213.94% |
| | 100.00 (Default) | 3 | 100.00% | 45.01% | 625 | 1 | 24.78% |
| | **Sub-total** | **20,389** | **0.23%** | **20.43%** | **583** | **3,764** | **18.46%** |
| Corporates - Other | 0.00 to <0.15 | 12,294 | 0.04% | 34.55% | 696 | 1,339 | 10.89% |
| | 0.15 to <0.25 | 1,955 | 0.16% | 43.50% | 972 | 971 | 49.70% |
| | 0.25 to <0.50 | 2,152 | 0.30% | 49.49% | 958 | 1,004 | 46.65% |
| | 0.50 to <0.75 | 1,893 | 0.60% | 45.77% | 918 | 1,175 | 62.05% |
| | 0.75 to <2.50 | 1,524 | 1.07% | 46.42% | 1,119 | 1,277 | 83.77% |
| | 2.50 to <10.00 | 80 | 5.00% | 50.28% | 772 | 106 | 132.98% |
| | 10.00 to <100.00 | 196 | 19.03% | 44.21% | 843 | 510 | 260.44% |
| | 100.00 (Default) | 2 | 100.00% | 45.12% | 843 | 1 | 55.21% |
| | **Sub-total** | **20,095** | **0.42%** | **39.08%** | **805** | **6,384** | **31.77%** |
| Corporates - SME | 0.00 to <0.15 | 63 | 0.03% | 47.06% | 1,296 | 13 | 21.43% |
| | 0.15 to <0.25 | 3 | 0.16% | 48.16% | 619 | 1 | 38.33% |
| | 0.25 to <0.50 | 3 | 0.30% | 47.60% | 1,104 | 2 | 58.27% |
| | 0.50 to <0.75 | 2 | 0.60% | 35.76% | 623 | 1 | 83.37% |
| | 0.75 to <2.50 | 29 | 1.33% | 35.22% | 1,027 | 31 | 105.99% |
| | 2.50 to <10.00 | 2 | 5.00% | 38.42% | 1,134 | 3 | 175.04% |
| | 10.00 to <100.00 | 1 | 19.44% | 45.56% | 1,596 | 1 | 211.00% |
| | 100.00 (Default) | - | 100.00% | 45.05% | 402 | - | 12.79% |
| | **Sub-total** | **102** | **0.94%** | **43.48%** | **1,181** | **53** | **51.60%** |
| Corporates - Specialised lending | 0.00 to <0.15 | 587 | 0.06% | 9.99% | 1,317 | 36 | 6.17% |
| | 0.15 to <0.25 | 409 | 0.16% | 9.73% | 1,350 | 58 | 14.18% |
| | 0.25 to <0.50 | 421 | 0.30% | 12.23% | 1,313 | 98 | 23.33% |
| | 0.50 to <0.75 | 291 | 0.60% | 11.76% | 1,290 | 68 | 23.48% |
| | 0.75 to <2.50 | 226 | 0.96% | 14.04% | 1,232 | 73 | 32.31% |
| | 2.50 to <10.00 | 25 | 5.00% | 15.65% | 1,121 | 8 | 32.55% |
| | 10.00 to <100.00 | 104 | 14.28% | 18.61% | 1,121 | 155 | 149.00% |
| | 100.00 (Default) | 5 | 100.00% | 41.97% | 1,093 | - | - |
| | **Sub-total** | **2,069** | **1.29%** | **11.66%** | **1,297** | **497** | **24.01%** |
| **TOTAL** | | **50,266** | **0.32%** | **24.75%** | **-** | **10,822** | **21.53%** |

### 3.2.3.5 Guarantee

**IMPACT OF THE COMPENSATION AND GUARANTEES HELD ON THE EXPOSED SECURITIES (CCR5-A)**

| 30/06/2019<br>*(in millions of euros)* | | Gross positive fair value or net carrying amount | Netting benefits | Netted current credit exposure | Collateral held | Net credit exposure |
|---|---|---|---|---|---|---|
| 1 | Derivatives | 214,168 | 185,921 | 28,247 | 4,032 | 24,215 |
| 2 | SFTs | 25,130 | 14,106 | 11,024 | 486 | 10,538 |
| 3 | Cross-product netting | | | | | - |
| **4** | **TOTAL** | **239,298** | **200,028** | **39,271** | **4,518** | **34,753** |

| 31/12/2018<br>*(in millions of euros)* | | Gross positive fair value or net carrying amount | Netting benefits | Netted current credit exposure | Collateral held | Net credit exposure |
|---|---|---|---|---|---|---|
| 1 | Derivatives | 158,005 | 133,974 | 24,031 | 1,564 | 22,468 |
| 2 | SFTs | 17,271 | 10,728 | 6,544 | 374 | 6,170 |
| 3 | Cross-product netting | - | - | - | - | - |
| **4** | **TOTAL** | **175,276** | **144,701** | **30,575** | **1,938** | **28,637** |

**COMPOSITION OF GUARANTEES FOR COUNTERPARTY RISK EXPOSURES (CCR5-B)**

| 30/06/2019<br>*(in millions of euros)* | | Collateral used in derivative transactions | | | Collateral used in SFTs | |
|---|---|---|---|---|---|---|
| | | Fair Value of collateral received | Fair Value of posted collateral | | Fair Value of collaterak received | Fair Value of posted collateral |
| | | | Segregated | Unsegregated | | |
| 1 | Cash | 7,586 | | 138 | 562 | 4 |
| 2 | Corporate bonds, Sovereign debt, Government agency debt | 1,038 | | | 121 | |
| 3 | Equity securities | | | | | |
| 4 | Other collateral | | | | | |
| | **TOTAL** | **8,624** | | **138** | **682** | **4** |

### 3.2.3.6 Change in RWA under the internal models method (IMM) between 31 December 2018 and 30 June 2019

**STATEMENT OF FLOWS OF RISK-WEIGHTED ASSETS (RWA) FOR COUNTERPARTY RISK EXPOSURES UNDER THE INTERNAL MODELS METHOD (IMM) (CCR7)**

**30/06/2019**

| | *(in millions of euros)* | RWA amounts | Capital requirements |
|---|---|---|---|
| **1** | **RWAs as at the end of the previous reporting period (31/12/2018)** | **8,309** | **665** |
| 2 | Asset size | 1,418 | 113 |
| 3 | Credit quality of counterparties | (167) | (13) |
| 4 | Model updates (IMM only) | - | - |
| 5 | Methodology and policy (IMM only) | - | - |
| 6 | Acquisitions and disposals | - | - |
| 7 | Foreign exchange movements | (241) | (19) |
| 8 | Other | (272) | (22) |
| **9** | **RWAs as at the end of the reporting period (30/06/2019)** | **9,047** | **724** |

### 3.2.3.7 Central Counterparty Exposures (CCP)

**CENTRAL COUNTERPARTY EXPOSURES (CCP) (CCR8)**

| | *(in millions of euros)* | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|---|
| | | EAD post CRM | RWAs | EAD post CRM | RWAs |
| **1** | **Exposures to QCCPs (total)** | | **858** | | **515** |
| 2 | Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which | 12,358 | 387 | 8,891 | 221 |
| 3 | (i) OTC derivatives | 8,457 | 170 | 6,758 | 136 |
| 4 | (ii) Exchange-traded derivatives | 161 | 142 | 51 | 43 |
| 5 | (iii) SFTs | 3,740 | 75 | 2,082 | 42 |
| 6 | (iv) Netting sets where cross-product netting has been approved | | | - | - |
| 7 | Segregated initial margin | 2,757 | | 3,553 | |
| 8 | Non-segregated initial margin | 319 | 6 | 129 | 3 |
| 9 | Prefunded default fund contributions | 707 | 466 | 751 | 291 |
| 10 | Alternative calculation of own funds requirements for exposures | | | | - |
| **11** | **Exposures to non-QCCPs (total)** | | | | **-** |
| 12 | Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which | | | - | - |
| 13 | (i) OTC derivatives | | | - | - |
| 14 | (ii) Exchange-traded derivatives | | | - | - |
| 15 | (iii) SFTs | | | - | - |
| 16 | (iv) Netting sets where cross-product netting has been approved | | | - | - |
| 17 | Segregated initial margin | | | - | |
| 18 | Non-segregated initial margin | | | - | - |
| 19 | Prefunded default fund contributions | | | - | - |
| 20 | Unfunded default fund contributions | | | - | - |

### 3.2.3.8 CVA

**CAPITAL REQUIREMENT FOR CREDIT VALUATION ADJUSTMENT (CVA) (CCR2)**

| *(in millions of euros)* | | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|---|
| | | EAD post-CRM | RWA | EAD post-CRM | RWA |
| 1 | Total portfolios subject to the Advanced CVA capital charge | 16,413 | 2,786 | 15,660 | 2,486 |
| 2 | (i) VaR component (including the 3×multiplier) | - | 21 | - | 22 |
| 3 | (ii) Stressed VaR component (including the 3×multiplier) | - | 202 | - | 177 |
| 4 | All portfolios subject to the Standardised CVA capital charge | 21,182 | 1,360 | 17,445 | 1,524 |
| EU4 | Based on the original exposure method | - | - | - | - |
| **5** | **Total subject to the CVA capital charge** | **37,596** | **4,145** | **33,104** | **4,009** |

### 3.2.3.9 Risk mitigation techniques applied to counterparty risk

**Credit derivatives used for hedging purposes**

These techniques are presented in the chapter 5, under 2.4.II.4 page 77 « Risk management – Credit risk – Credit risk mitigation mechanisms –Use of credit derivatives » section of the update A01 of the 2018 Crédit Agricole Group registration document.

**EXPOSURES TO CREDIT DERIVATIVES (CCR6)**

| **30/06/2019** *(in millions of euros)* | Credit derivative hedges | | Other credit derivatives |
|---|---|---|---|
| | Protection bought | Protection sold | |
| **Notionals** | - | **-** | **-** |
| Single-name credit default swaps | 3,578 | 20 | - |
| Index credit default swaps | - | - | - |
| Total return swaps | - | - | - |
| Credit options | - | - | - |
| Other credit derivatives | - | - | - |
| **TOTAL NOTIONALS** | **3,578** | **20** | **-** |
| **Fair values** | **-** | **-** | **-** |
| Positive fair value (asset) | 1 | 0 | - |
| Negative fair value (liability) | (120) | - | - |

### 3.2.4 Equity exposures in the banking portfolio

**GROSS EXPOSURE AND EXPOSURE AT DEFAULT UNDER THE INTERNAL RATINGS-BASED APPROACH AT 30 JUNE 2019 (CR10)**

| **30/06/2019**<br>**Categories**<br>*(in million of euros)* | On-balance sheet amount | Off-balance sheet amount | Risk weight | Exposure amount | RWAs | Capital requirements |
|---|---|---|---|---|---|---|
| Exchange-traded equity exposures | 1,335 | 98 | 190% | 1,433 | 2,723 | 218 |
| Private equity exposures | 1,471 | - | 290% | 1,471 | 4,267 | 341 |
| Other equity exposures | 16,626 | - | 370% | 16,612 | 61,466 | 4,917 |
| **TOTAL** | **19,433** | **98** | | **19,517** | **68,456** | **5,476** |

**GROSS EXPOSURE AND EXPOSURE AT DEFAULT UNDER THE INTERNAL RATINGS-BASED APPROACH AT 31 DECEMBER 2018 (CR10)**

| **31/12/2018**<br>**Categories**<br>*(in million of euros)* | On-balance sheet amount | Off-balance sheet amount | Risk weight | Exposure amount | RWAs | Capital requirements |
|---|---|---|---|---|---|---|
| Exchange-traded equity exposures | 1,277 | 121 | 190% | 1,397 | 2,655 | 212 |
| Private equity exposures | 1,389 | - | 290% | 1,370 | 3,973 | 318 |
| Other equity exposures | 15,443 | - | 370% | 15,442 | 57,136 | 4,571 |
| **TOTAL** | **18,109** | **121** | | **18,210** | **63,764** | **5,101** |

## 3.3 Market risk

### 3.3.1 Exposure to market risk of the trading book

#### 3.3.1.1 Risk weighted exposure using the standardised approach

**RISK-WEIGHTED ASSETS USING STANDARDISED APPROCH (MR1)**

| | | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|---|
| | *(in millions of euros)* | RWA | Capital requirement | RWA | Capital requirement |
| | Futures and forwards | | | | |
| 1 | Interest rate risk (general and specific) | 911 | 73 | 776 | 62 |
| 2 | Risk on shares (general and specific) | - | - | - | - |
| 3 | Currency risk | 4,181 | 334 | 3,629 | 290 |
| 4 | Commodities risk | 7 | 1 | 4 | 0 |
| | Options | | | | |
| 5 | Simplificated approach | - | - | - | - |
| 6 | Delta-plus method | 1 | 0 | 6 | 0 |
| 7 | Scenarios based approach | 1 | 0 | 31 | 2 |
| 8 | Securitisation | - | - | - | - |
| **9** | **TOTAL** | **5,101** | **408** | **4,447** | **356** |

### 3.3.1.2 Exposures using the internal models approach

**Risk-weighted assets and capital requirements**

**MARKET RISK UNDER THE INTERNAL MODELS APPROACH (MR2-A)**

| | | 30/06/2019 | | 31/12/2018 | |
|---|---|---|---|---|---|
| *(in millions of euros)* | | RWA | Capital requirement | RWA | Capital requirement |
| **1** | **VaR (higher of values a and b)** | **883** | **71** | **798** | **64** |
| (a) | Previous day's VaR (VaRt-1) | | 18 | - | 14 |
| (b) | Average of the daily VaR on each of the preceding sixty business days (VaRavg) x multiplication factor (mc) | | 71 | - | 64 |
| **2** | **SVaR (higher of values a and b)** | **2,749** | **220** | **3,121** | **250** |
| (a) | Latest SVaR (sVaRt-1) | | 61 | - | 59 |
| (b) | Average of the SVaR during the preceding sixty business days (sVaRavg) x multiplication factor (ms) | | 220 | - | 250 |
| **3** | **Incremental risk charge -IRC (higher of values a and b)** | **1,756** | **140** | **2,502** | **200** |
| (a) | Most recent IRC value (incremental default and migration | | 104 | - | 193 |
| (b) | Average of the IRC number over the preceding 12 weeks | | 140 | - | 200 |
| **4** | **Comprehensive Risk Measure – CRM (higher of values a,** | **-** | **-** | **-** | **-** |
| (a) | Most recent risk number for the correlation trading portfolio | | - | - | - |
| (b) | Average of the risk number for the correlation trading portfolio over the preceding 12-weeks | | - | - | - |
| (c) | 8 % of the own funds requirement in SA on most recent risk number for the correlation trading portfolio | | - | - | - |
| **5** | **TOTAL** | **5,388** | **431** | **6,421** | **514** |

**Values resulting from use of internal models**

**VALUES OF THE TRADING BOOK THE INTERNAL MODELS APPROACH (IMA) (MR3)**

| *(in millions of euros)* | | 30/06/2019 | 31/12/2018 |
|---|---|---|---|
| **1** | **VaR (10 days, 99 %)** | | |
| 2 | Maximum value | 21 | 21 |
| 3 | Mean value | 18 | 16 |
| 4 | Minimum value | 15 | 12 |
| 5 | End of period value | 18 | 14 |
| **6** | **VaR in stressed period (10 days, 99 %)** | | |
| 7 | Maximum value | 68 | 78 |
| 8 | Mean value | 55 | 62 |
| 9 | Minimum value | 44 | 53 |
| 10 | End of period value | 61 | 59 |
| **11** | **Capital requirement in line with IRC (99,9 %)** | | |
| 12 | Maximum value | 195 | 236 |
| 13 | Mean value | 108 | 154 |
| 14 | Minimum value | 67 | 85 |
| 15 | End of period value | 80 | 149 |
| **16** | **Capital requirement in line with CRM (99,9 %)** | | |
| 17 | Maximum value | - | - |
| 18 | Mean value | - | - |
| 19 | Minimum value | - | - |
| 20 | End of period value | - | - |
| 21 | Floor (standard measure method) | - | - |

## 3.3.2 Back testing of the VAR model (MR4)