WORKING EVERY DAY IN THE INTEREST OF OUR CUSTOMERS AND SOCIETY

AMENDMENT A01 TO THE UNIVERSAL REGISTRATION DOCUMENT 2019

CRÉDIT AGRICOLE GROUP FINANCIAL STATEMENTS

CRÉDIT AGRICOLE GROUP

TABLE OF CONTENT


CRÉDIT AGRICOLE
S.A.

AMENDMENT OF THE UNIVERSAL REGISTRATION DOCUMENT

CRÉDIT AGRICOLE GROUP
FINANCIAL STATEMENTS
2019-A01


AUTORITÉ DES MARCHÉS FINANCIERS
AMF

The AMF (French Financial Markets Authority) has conducted no verification of the content of this document. Only the French version of the Universal registration document ("*Document d'enregistrement universel*") has been submitted to the AMF. This amendment A01 to the Universal registration document was filed on 3 April 2020, under number D-20-0168-A01, with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

The Universal registration document may be used for the purposes of an offer to the public of securities or admission of securities to trading on a regulated market if completed by a securities note and, if applicable, a summary and any amendments to the Universal registration document. The whole then comprised of is approved by the AMF in accordance with Regulation (EU) 2017/1129.




CREDIT AGRICOLE GROUP'S RAISON D'ÊTRE

WORKING EVERY DAY IN THE INTEREST OF OUR CUSTOMERS AND SOCIETY

Crédit Agricole's end purpose,
is to be a trusted partner to all its customers:

Its solid position and the diversity of its expertise enable CA to offer all its customers ongoing support on a daily basis and for their projects in life, in particular by helping them to guard against uncertainties and to plan for the long term.

CA is committed to seeking out and protecting its customers interests in all it does. It advises them with transparency, loyalty and pedagogy.

It places human responsibility at the heart of its model : it is committed to helping all its customers benefit from the best technological practices, while guaranteeing them access to competent, available local teams that can ensure all aspects of the customer relationship.

Proud of its cooperative and mutualist identity
and drawing on a governance representing its customers, Crédit Agricole:

Supporting the economy, entrepreneurship and innovation in France and abroad: it is naturally committed to supporting its regions.

It takes intentional action in societal and environment fields, by supporting progress and transformations.

It serves everyone: from the most modest to the wealthiest households, from local professionals to large international companies.

This is how Crédit Agricole demonstrates its usefulness and availability to its customers, and the commitment of its 142,000 employees to excellence in customer relations and operations.

10th bank worldwide

1st cooperative worldwide

1st bank in France

1st insurer in France

1st European asset manager

ABOUT CRÉDIT AGRICOLE

The Crédit Agricole Group includes Crédit Agricole S.A., as well as all of the Regional Banks and Local Banks and their subsidiaries.

10.5 M
MUTUAL SHAREHOLDERS WHO HOLD MUTUAL SHARES IN

2,417
LOCAL BANKS

39
REGIONAL BANKS
Jointly holding the majority of Crédit Agricole S.A.'s share capital through SAS Rue La Boétie.[1]

100%

~25%

Sacam Mutualisation

Political link

Fédération Nationale du Crédit Agricole (FNCA)

55.9%

FLOAT

32.4%
INSTITUTIONAL INVESTORS

7.0%
INDIVIDUAL SHAREHOLDERS

4.7%
EMPLOYEE SHARE OWNERSHIP PLANS (ESOP)

NS[2]
TREASURY SHARES

44.1%

CRÉDIT AGRICOLE S.A.

ASSET GATHERING
INDOSUEZ WEALTH MANAGEMENT
CRÉDIT AGRICOLE ASSURANCES
Amundi ASSET MANAGEMENT

RETAIL BANKING
CRÉDIT AGRICOLE Polska, Egypt, Ukraine, Romania, Srbija
مصرف المغرب CRÉDIT DU MAROC
CRÉDIT AGRICOLE Italia
LCL

SPECIALISED FINANCIAL SERVICES
CRÉDIT AGRICOLE CONSUMER FINANCE
CRÉDIT AGRICOLE LEASING & FACTORING

LARGE CUSTOMERS
CRÉDIT AGRICOLE CORPORATE & INVESTMENT BANK
caceis INVESTOR SERVICES

BUSINESS AND SUBSIDIARIES
CRÉDIT AGRICOLE CAPITAL INVESTISSEMENT & FINANCE
CRÉDIT AGRICOLE PAYMENT SERVICES
CRÉDIT AGRICOLE IMMOBILIER
uni_médias

[1] The Regional Bank of Corsica, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation
[2] non significant.

KEY FIGURES

BUSINESS AT 31 DECEMBER 2019

(in billions of euros)	31/12/2019
Total assets	2,011.0
Gross loans(1)	971.8
Customer deposits(2)	990.1

(1) Gross value of loans and receivables due from credit institutions and due from customers.

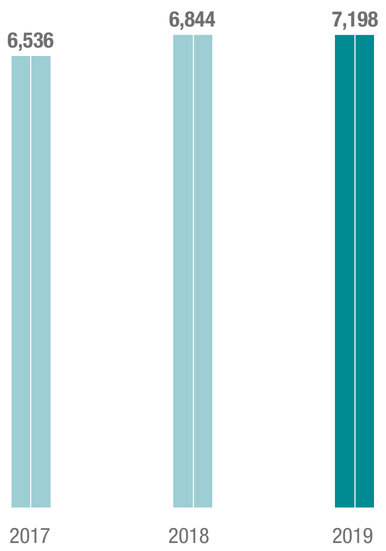
(2) Including debt securities.

TRENDS IN EARNINGS

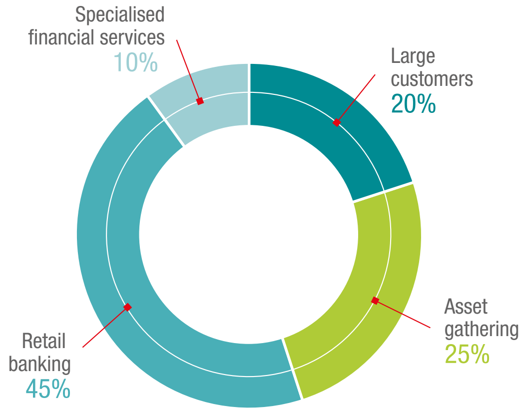
Condensed income statement

(in millions of euros)	2017	2018	2019
Revenues	32,108	32,839	33,297
Gross operating income	11,197	11,385	11,485
Net income	7,010	7,369	7,704
Net income Group share	6,536	6,844	7,198

Net income Group share
(in millions of euros)



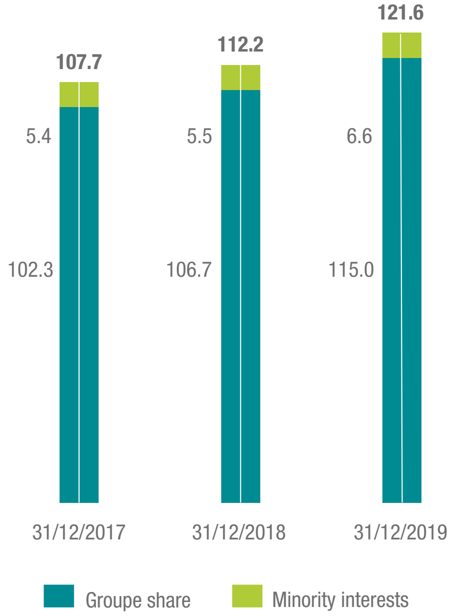
Contribution of the business lines to net income Group share(1)



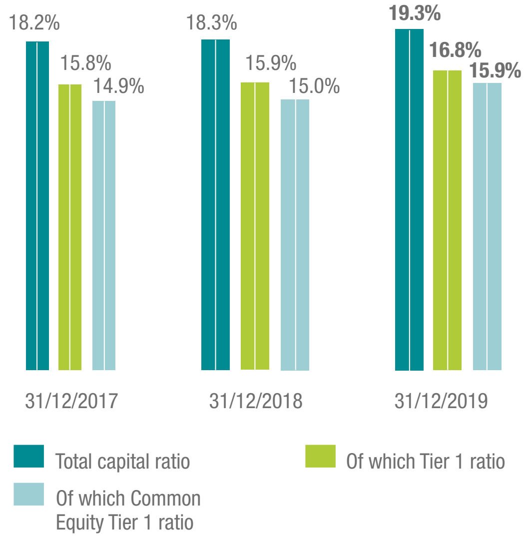
(1) Excluding Corporate Centre.

FINANCIAL STRUCTURE

Total equity
(in billions of euros)



Solvency ratios fully loaded
(in percentage)



RATINGS AT 31 MARCH 2020

Ratings	LT/ST Counterparty	Issuer/LT senior preferred debt	Outlook/ Review	ST senior preferred debt	Last Issuer/Debt rating action	Rating action
S&P Global Ratings	AA-/A-1+ (RCR)	A+	Stable outlook	A-1	18/10/2019	▪ LT/ST ratings affirmed; ▪ outlook unchanged
Moody's	Aa2/P-1 (CRR)	Aa3	Stable outlook	P-1	19/09/2019	▪ LT ratings upgraded (1 notch); ▪ outlook changed to stable from positive; ▪ ST debt ratings confirmed
Fitch Ratings	AA-(DCR)	A+/AA-	Negative outlook	F1+	30/03/2020	▪ LT/ST senior preferred debt ratings upgraded (1 notch); ▪ outlook issuer rating changed to negative from stable
DBRS	AA (high) / R-1 (high) (COR)	AA (low)	Stable outlook	R-1 (middle)	01/10/2019	▪ LT/ST ratings affirmed; ▪ outlook unchanged

INDEX PRESENCE AND CSR RATINGS

FTSE4Good EURONEXT vigeo CDP DRIVING SUSTAINABLE ECONOMIES MSCI

OUR BUSINESS MODEL: TO BE A PLAYER IN A SUSTAINABLE SOCIETY

OUR RESOURCES

OUR DNA

A mutualist and cooperative group at the service of everyone.

OUR TALENTS

142,000 employees of the Crédit Agricole Group.

OUR GOVERNANCE

A solid **majority shareholder** ensuring a long-term commitment.

OUR GEOGRAPHIC FOOTPRINT

In France:

- **39** Regional Banks, LCL and BforBank
- **8,400** retail banking branches

Abroad:

- **47 countries**
- **52%** of Crédit Agricole S.A. employees

OUR CAPITAL

Shareholder's Equity Group Share:

- Group: **€115.0bn**
- Crédit Agricole S.A.: **€62.9bn**

OUR TECHNOLOGICAL CAPITAL

A single **centre of IT expertise** serving all of the Group's business lines.

OUR MULTI-PARTNERSHIP MODEL

An **organic growth model** reinforced by external expertise and distribution partnerships in France and abroad.

OUR BUSINESSES

SUPPORTING AND ADVISING OUR CUSTOMERS DURING THEIR MOMENTS IN LIFE

CRAFTING INVESTMENT SOLUTIONS

OUR FOUNDATION

THE REGIONAL BANKS

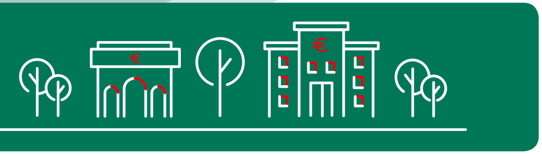
SOLID COMMITMENTS

- **Utility** at the service of everyone
- Our **sound** and diverse range of expertise
- **Protecting** our customers' interests and assets
- Human **responsibility** at the heart of our model
- **Supporting** the economy and social cohesion
- **Supporting** the transition to other sources of energy

Working every day in the interest of our customers and society is our Raison d'Être

PROVIDING FINANCING, SAVINGS AND INSURANCE SOLUTIONS

PROPOSING COMPLEMENTARY FINANCIAL SERVICES
Payment services, real estate, etc.



OUR VALUE CREATION

CUSTOMERS

- **#1 provider of financing** to the French economy (€650bn loans outstanding in retail banking)
- **#1 European asset manager** (€1,653bn assets under management)
- **#1 insurer** in France

SHAREHOLDERS AND INVESTORS

- Crédit Agricole Group revenues: **€33.8bn** [1]
- Crédit Agricole S.A.market capitalisation: **€37.2bn**
- Crédit Agricole S.A.net income: **€4.6bn** [2]
- Payout to shareholders: **€2.0bn** [3]

EMPLOYEES[4]

- ERI survey: **77%** participation rate
- **11,101** internal mobilities worldwide
- **6,181** hired on permanent contracts

FOR PUBLIC AUTHORITIES AND PARTNERS

- Group purchases: **€7.5bn** [5]
- Group taxes and social security expenses: **€7.1bn**

FOR CIVIL SOCIETY AND THE ENVIROMENT

- **World's leading** bookrunner for green bond issues[6]
- Green financing portfolio: **€7.1bn**
- Social and solidarity-based impact funds: **€256m**
- **Over 147,000** subscriptions to bottom-of-the-range offers (mainly Eko and LCL Essentiel)

Data 2019. [1] Underlying revenue, [2] Underlying net income (groups share), [3] subject to approval at the annual General Meeting on 13 may 2020 [4] Crédit Agricole S.A. scope, [5] External expenses, [6] source Bloomberg.

OUR 3 STRATEGIC PILLARS

- **Excellence in customer relations**
- **Empowered teams**
- **Commitment to society**

OUR UNIVERSAL CUSTOMER-FOCUSED BANKING MODEL – A GLOBAL RELATIONSHIP BANK FOR ALL

Crédit Agricole Group's universal customer-focused banking model is based on the close association of its retail banks with its specialised business lines. The Regional Banks are at the heart of this model, based on recognised know-how in the distribution of all the financial products and services developed by the Group to all types of customers in France and internationally.

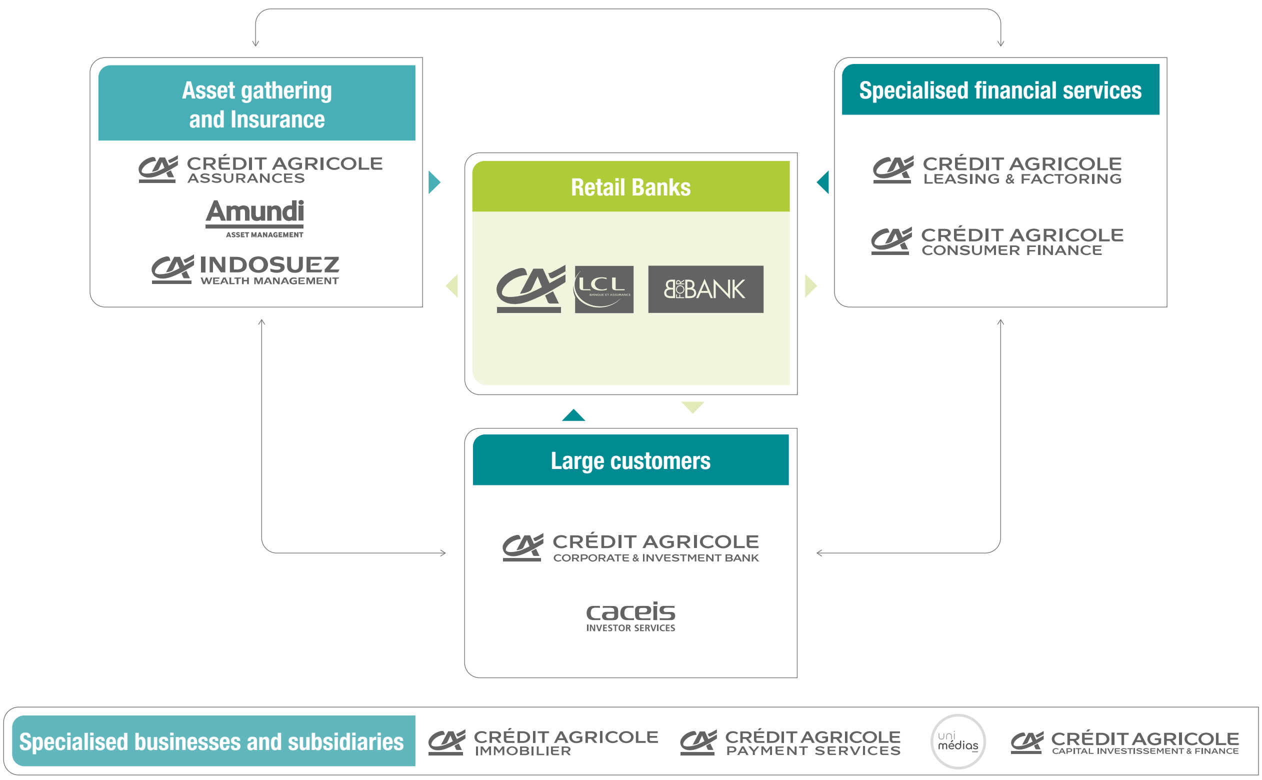
This model underscores Crédit Agricole Group's commitment to be the trusted partner of all of its customers and to cover the full breadth of their financial and wealth management needs, namely: payment instruments, insurance, savings management, financing, real estate and international support.

All of these services and skills are offered in a close relationship based on the Group's retail banks in France (Regional Banks, LCL, BforBank) and internationally (Crédit Agricole Italia, CA Bank Polska, Crédit du Maroc, CA Egypt, CA Ukraine, etc.). The contacts maintained by employees and elected representatives of Local and Regional Banks in the field ensure good knowledge of customers and their problems throughout their lives.

This understanding of the expectations and needs of customers, together with the size of the Group's networks, enable Crédit Agricole S.A.'s specialised business lines to constantly improve their offerings and their competitiveness.

With its specialised subsidiaries (insurance, asset management, real estate, wealth management, corporate and investment banking, financial services for institutional investors and issuers, specialised financial services, payment instruments), the Group is able to offer comprehensive and customised solutions to all its customers, in good times and bad times, within the framework of an enduring relationship.

The increase in customer equipment is both a means of encouraging loyalty and a vector for revenue growth, through the synergies developed between retail banking and the specialised business lines. The new "Group Project and Medium-Term Plan 2022", presented on 6 June 2019, reinforced the implementation of this model and aims to achieve revenue synergies of €10 billion by 2022 for the Group (vs. 8.7 billion at end-2018).



ACTIVITIES AND ORGANISATION OF THE REGIONAL BANKS

The Crédit Agricole Regional Banks are co-operative entities and fully-fledged banks that have a leading position in all their retail banking markets in France. With 21 million individual customers, the Regional Banks account for 23.2% of the household bank deposit market and 23.3% of the household credit market (source: Banque de France, September 2019). They are leaders in the agricultural (81% share; source: Adéquation 2018), SMEs and small businesses (34%; source: *Pépites CSA 2018*) and corporates (36%; source: Kantar TNS 2019) markets.

The marketing of products and services covering the financial and wealth management needs of their customers is based on a network of nearly 6,800 branches, about 6,000 in-store Servicing points installed at small retailers and a full range of remote banking services.

THE BUSINESS LINES OF CRÉDIT AGRICOLE S.A. AT 31 DECEMBER 2019

ASSET GATHERING

INSURANCE

MISSION: as France's leading insurer[(1)], Crédit Agricole Assurances is highly focused on the needs of its customers, whether they are individual customers, SMEs and small businesses, corporates or farmers.

GOAL: to be effective and useful, from designing solutions and services to handling claims.

OUR OFFERING: a full and competitive range, tailored to customers' needs in terms of savings/retirement, death & disability/creditor/group and property & casualty insurance, and backed by the efficiency of the largest banking network in Europe.

KEY FIGURES:

- **€37.0bn** Gross revenues
- **€304bn** Assets under management in savings/retirement
- **14.1 million** Number of property & casualty insurance contracts

ASSET MANAGEMENT

MISSION: Amundi is the leading European asset manager in terms of assets under management and ranks in the top 10 worldwide[(2)]. The Group manages €1,653 billion and has six main management platforms (Boston, Dublin, London, Milan, Paris and Tokyo).

OUR OFFERING: Amundi offers its customers in Europe, Asia Pacific, the Middle East and the Americas a wide range of expertise and investment solutions for active, passive, real estate and alternative asset management. Amundi's customers can also access a full range of high added value services.

KEY FIGURES:

- **€1,653bn** Assets under management
- **No. 1** European asset management company[(2)]
- Present in close to **40** countries

WEALTH MANAGEMENT

MISSION: Indosuez Wealth Management comprises Crédit Agricole Group's wealth management activities in Europe[(3)], the Middle East, Asia-Pacific and the Americas. Renowned for both its human and resolutely international dimension, it has a presence in 14 countries worldwide.

OUR OFFERING: we offer a tailored approach allowing individual customers to manage, protect and transfer their assets in a manner which best fits their aspirations. Endowed with a global vision, our teams provide them with simple and sustainable solutions, adapted to each situation, by putting at their service a subtle combination of excellence, experience and expertise.

KEY FIGURES:

- **€132.1bn** Assets under management[(3)]
- **3,160** employees
- Present in **14** countries

RETAIL BANKING

LCL

MISSION: LCL is the only domestic network bank in France to focus exclusively on retail banking and insurance. It covers all markets: individual customers, SMEs and small businesses, and private and corporate banking.

OUR OFFERING: a complete range of banking products and services covering finance, insurance, savings and wealth management, payments and flow management. With branches nationwide and an online banking service, the aim is to develop a close customer relationship (mobile app and website).

KEY FIGURES:

- **€130bn** Loans outstanding (of which €82.4bn in home loans)
- **€206bn** Total customer assets
- **≈6 million** individual customers

INTERNATIONAL RETAIL BANKING

MISSION: Crédit Agricole's international retail banks are primarily located in Europe (Italy, Poland, Serbia, Romania, Ukraine), and in selected countries of the Mediterranean basin (Morocco, Egypt), where they serve all types of customers (individuals, small businesses, corporates – from SMEs to multinationals), in collaboration with the Group's specialised business lines and activities.

OUR OFFERING: in branch and online, international retail banks offer a range of banking services, specialised financial services and savings and insurance products tailored to our customers' needs, in synergy with the Group's other business lines (CACIB, CAA, Amundi, CAL&F, etc.).

KEY FIGURES:

- **€55.1bn** Loans outstanding
- **€54bn** On-balance sheet deposits
- **>5.3** million customers

REGIONAL BANKS

MISSION: with locations throughout the country, the 39 Regional Banks are co-operative entities and fully-fledged banks that provide support for the plans of their customers: individuals, high-net-worth customers, farmers, SMEs and small businesses, corporates and those working in the public sector and the social economy.

OUR OFFERING: an advisory approach based on a full range of products and services, available in-branch or remotely, that are designed to meet our customers' needs in terms of banking (payments, savings, financing, corporate finance, international), insurance (property and casualty and personal risk) and real estate (including advisory and valuation of real estate assets, real estate management and lease management).

KEY FIGURES:

- **24.7 million** customers, including **21** million individual customers
- **>10 million** mutual shareholders
- **23,3%[(1)]** Market share of household credit

(1) Source: *Argus de l'Assurance*, 20 December 2019 (data at end 2018).

(2) Source: ranking IPE "Top 400 asset manager" published in June 2019 and based on asset under management in December 2018.

(3) Excluding LCL Private Banking Regional banks activities within international retail banking.

SPECIALISED FINANCIAL SERVICES

CONSUMER FINANCE

MISSION: a major player in consumer finance in Europe, Crédit Agricole Consumer Finance offers its customers and partners a range of flexible, responsible solutions, tailored to their needs. Customer satisfaction is a strategic priority, particularly through investments in digital, to create a credit experience with them that meets their expectations and new methods of consumption.

OUR OFFERING: a complete multi-channel range of financing and insurance solutions and services available online, in branches of CA Consumer Finance subsidiaries and from its banking, institutional, distribution and automotive partners.

KEY FIGURES:

- **€92.0bn** Assets under management
- of which **€21.2bn** for Crédit Agricole Group
- Present in **19** countries

LEASING, FACTORING AND FINANCE FOR ENERGIES AND REGIONS

MISSION: Crédit Agricole Leasing & Factoring (CAL&F) provides solutions for businesses of all sizes for their investment plans and the management of their trade receivables, through its offering of lease financing and factoring services in France and Europe. CAL&F is also one of France's leading providers of finance for energies and regions.

OUR OFFERING: in lease financing, CAL&F offers financing solutions to meet property and equipment investment and renewal requirements. In factoring, CAL&F provides trade receivable financing and management solutions for corporates, both for their day-to-day operations and for their expansion plans. Lastly, CAL&F, via its subsidiary Unifergie, helps corporates, local authorities and farmers to finance renewable energy and public infrastructure projects.

KEY FIGURES:

- **1 out of 3** mid-caps funded by CAL&F in France
- Over **50** years' experience in leasing and factoring
- **No. 2** in the financing of renewable energy[1]

LARGE CUSTOMERS

CORPORATE AND INVESTMENT BANKING

MISSION: Crédit Agricole Corporate and Investment Bank is the corporate and investment bank of the Crédit Agricole Group and serves corporates and financial institutions, in France and internationally, thanks to its network in the main countries of Europe, the Americas, Asia-Pacific and the Middle East.

OUR OFFERING: products and services in investment banking, structured finance, international trade finance and commercial banking, capital market activities and syndication, and known worldwide "green" finance expertise.

KEY FIGURES:

- **No. 1** bookrunner worldwide for green bonds (all currencies) both in volume and in market share *(source: Bloomberg)*
- **2nd** largest bookrunner in syndicated loans for the EMEA region *(source: Refinitiv)*
- **8,300** employees

ASSET SERVICING

MISSION: CACEIS, a specialist back-office banking group, supports management companies, insurance companies, pension funds, banks, private equity and real estate funds, brokers and companies in the execution of their orders, including custody and management of their financial assets.

OUR OFFERING: CACEIS offers asset servicing solutions throughout the full life cycle of investment products and for all asset classes: execution, clearing, forex, security lending and borrowing, custody, depositary bank, fund administration, middle-office solutions, fund distribution support and services to issuers.

KEY FIGURES:

- **€3,879bn** Assets under custody
- **€2,047bn** Assets under administration
- **€1,394bn** Assets deposited

SPECIALISED BUSINESSES AND SUBSIDIARIES

Crédit Agricole Immobilier

- €945 million annual fees
- 1,927 homes sold
- 2.9 million sq. m. under management at end-2019

Crédit Agricole Capital Investissement & Finance (IDIA CI, SODICA CF)

- IDIA Capital Investissement: €1.8 billion assets under management
- Approximately 100 companies supported with equity capital (CR, LCL, SCIR)
- SODICA CF: 34 M&A transactions (SME-ETI) in collaboration with the Group's networks in 2019

Crédit Agricole Payment Services

- France's leading payment solutions provider with a market share of almost 30%
- More than 11 billion transactions processed in 2019
- 20.7 million managed bank cards
- More than 40 years' expertise in serving customers in the development of offers combining ease-of-use and security

Uni-médias

- 13 market-leading publications with nearly 2 million subscribers
- 10 million readers, 12 websites
- 9.3 million unique monthly visitors, up 31%[2]

(1) CAL&F is #2 on the Sofergie market (source CALEF at end-2019).

(2) Source: *Office de justification de la diffusion,* ACPM, Médiamétrie, November 2019.

RETAIL BANKING – REGIONAL BANKS

Regional Banks

Business and organisation

The Crédit Agricole Regional Banks (*Caisses régionales de Crédit Agricole* – CRCA) are co-operative entities and fully-fledged banks that have a leading position in all their retail banking markets in France: large individual customers (source: Sofia Kantar TNS 2019), small individual customers (source: *Baromètre Jeunes* 2018 CSA), SMEs and small businesses (in global banking, source: *Pépites* CSA 2018), farmers (professionally, source: *Adéquation* 2018), and corporates (in SME/SMI global banking, source: Kantar TNS 2019).

Drawing on the Group's business lines, they market a range of products and services designed to meet the financial and asset management needs of their customers: payment instruments, insurance, savings, financing, equity financing, real estate and international support. They have a network of nearly 6,800 branches, reinforced by about 6,000 in-store servicing points at retailers, and provide their customers with a full range of remote banking services.

With almost **21 million individual customers,** the Regional Banks account for 23.2% of the household bank deposit market and 23.3% of the household credit market (source: Banque de France, September 2019).

As the business bank for 81% of farmers (source: *Adéquation* 2018), they are by far the leader in their private banking.

The Regional Banks are also a leader in the SMEs and small businesses market, both in assisting personal and professional needs with a market share of 34% (in global banking, source: *Pépites* CSA 2018). Every day, Crédit Agricole's 3,800 professional advisers and experts help more than **one million entrepreneurs** to take their business to new heights.

In the corporates market, the Regional Banks also rank first, tied with the Banque Populaire banks, with a 36% market penetration rate (source: Kantar TNS 2019). The Regional Banks are specifically organised to advise and support all the companies in their region (start-ups, SMEs and mid-caps) thanks to more than 800 account managers, commercial relationship representatives and primary points of contact with business managers. Lastly, they provide support to local authorities and, more broadly, to players in the local public sector and the social economy, with some 200 specialist account managers.

2019 HIGHLIGHTS

The year was marked by the presentation of a new Group Project and its goals for 2022. It is intended to guide the commitments and actions of Crédit Agricole in the years to come. It relies on its purpose, "Acting every day in the interest of our customers and society".

To expand this purpose or raison d'être, Crédit Agricole will amplify its relationship model, in particular through the "Customer Project", one of the three key pillars of the new strategic plan.

Customer Project

The Customer Project should allow us to become the preferred bank for individuals, entrepreneurs and companies.

To achieve this, Crédit Agricole is mobilised around three main objectives:

1. **collectively driving relational excellence;**
2. **becoming a leading digital bank;**
3. **offering our customers a wide range of banking and non-banking services.**

Collectively driving relational excellence and being the leader in NPS (Net Promoter Score)

- The eighth national-level NPS survey was carried out across all markets in 2019. Regional NPS surveys have also been completed: 39 Regional Banks have a retail banking NPS mechanism, 25 Regional Banks have an asset NPS, 24 Regional Banks have a professional NPS, 21 Regional Banks have an agricultural NPS, and 26 Regional Banks have a corporate NPS. At the national level, the Regional Banks are currently ranking third among the private network banks in France.
- The "Relational Model" project was launched early in 2019 with five Regional Banks working in concert to conduct interviews with over one hundred customers and survey more than 2,000 employees. The project applies to all markets and the entire company (head offices of Regional Banks and the network of branches) and involves all line management concerned. The goal is therefore to improve the experience that customers have across all Crédit Agricole touchpoints, both in-branch and through digital tools, and to spell out the promises that Crédit Agricole makes to its customer more clearly.
- The implementation of the *Académie de l'Excellence Relationnelle* is underway with the creation of a multidisciplinary team of seven employees seconded to support more than sixty entities in the enhancement of the "culture of relationship excellence by CA".
- Seventy "Customer Champions" are designated in the Regional Banks and subsidiaries to "be the voice of the customer", to ensure the quality of the customer experience and develop a customer-focused culture. The Group's Plan to tackle pain points, which has been in place since October 2019, has already identified some fifteen major pain points for customers that need to be solved in 2020.
- The *"Trajectoires Patrimoine"* advisory approach is now available in all 39 Regional Banks. *"Trajectoires Patrimoine"* makes high-quality advice on asset management available to any customer, from the very first euro, through a new digital tool that provides support and facilitates the process. This app, which can be used in-branch, is shared between the customer and the adviser and has a very strong advice element that optimises the experience of both the customer and the adviser. At end-2019, more than 450,000 customers have benefited from this initiative. *"Trajectoires Patrimoine"* received an average NPS of 72 by customers who have benefited from the approach (percentage of promoters who gave a score of 9/10 or 10/10 – percentage of detractors who gave a score of 0/10-6/10).

Becoming a leading digital bank

In 2019, several new products were launched with our Regional Banks customers to improve their experience through the use of digital:

- The New Customer Portal (NCP) is a unique new website adapted to all types of terminals website that Regional Banks can regionalise and customise. This new multi-market site (individuals, wealth management, SMEs and small businesses, corporates, associations and farmers) offers a new ergonomic interface with an improved, smooth customer experience. It makes it easier to personalise editorial content to be closer to customers and enables a remote customer service approach thanks to the green button. To date, 23 Regional Banks have already deployed the NCP, with general use expected in the first half of 2020.
- Our individual customers now have the option to sign their loan offers electronically on their secure page (NCP), which rounds out the digital home loan service that is already available online through e-immo and the *Projet Habitat* space. 90% of home financing projects are now eligible for the *Projet Habitat* space. Nearly 9 out 10 customers who are offered the option to sign their loan offers electronically have opted for this solution.

- Deployment of a remote assistance product that brings our specialised advisers into our customers' homes or businesses using adapted equipment to provide them with personalised, quality advice. Currently, 35 Regional Banks are in testing or have deployed it for one business line (primarily business insurance or Corporate account managers).
- The digital experience of customers and/or advisers is being reinforced in the specialised markets: entry into relationships and loans on the SME and small business and agricultural market, commitments in the corporates market, etc.
- In 2019, the websites of the Regional Banks and the national website www.credit-agricole.fr had 985 million annual visits. This was down -6% compared to 2018. Conversely, the number of users of the MaBanque app continues to grow strongly over the months: five million customers already use the MaBanque app, which is 23% more than in 2018. The ranking published in January 2020 by D-Rating, the leading rating agency for digital corporate performance, gave the Regional Banks' a BBB+ rating in 2019, one notch higher than the previous year. This is the best performance for a retail banking brand in France.
- On social networks (Facebook, Twitter and Instagram), Crédit Agricole is followed by 990,000 subscribers, making it the number one French bank in terms of number of fans. The month of December confirmed the trend that has been underway for several months, with an increase in the number of social actions: each Crédit Agricole content was liked, commented on and shared 564 times on average in 2019, making Crédit Agricole the second largest French bank in terms of commitment, with a 73% increase over the year.

Offering our customers a wide range of banking and non-banking services

Built from basic offers with clear added value that align as closely as possible with the major life events, uses and concerns of our customers, the Crédit Agricole's solutions must be useful to customers and sometimes go beyond mere banking through the creation of platforms around a universe of needs.

- EKO is Crédit Agricole's **entry-level banking offer,** launched at the end of 2017. For a monthly fee of €2, EKO is available to anyone over the age of 18 who wants a bank account that offers the essentials of banking with services to help them manage their budget. At end-December 2019, EKO had 127,000 customers.
- As to **supporting our customers in the energy transition,** since June 2019 Crédit Agricole has been offering green financing solutions to enable our individual customers to acquire a cleaner vehicle or to renovate and equip their home. Twenty-seven Regional Banks had already rolled out these offers at end-November 2019. For more than 10 years, Crédit Agricole has offered an interest-free eco-loan (Éco-PTZ) for financing work to improve energy performance. At end-November 2019, the Regional Banks held a leading position in France, with a market share of almost 32% in Éco-PTZ.
- For SMEs and small businesses and farmers, a reduced-rate **green financing offer** was also launched in May 2019 to finance a cleaner vehicle, renovate or equip business premises.
- On the corporates market, in 2019 Crédit Agricole confirmed a new partnership with the European Investment Bank on **financing related to the energy transition** in France. Crédit Agricole has negotiated a first tranche of €250 million in funding, which will make it possible to finance SMEs, mid-caps, public entities, farms, and local authorities up to €500 million for investment in the fight against climate change.
- In the field of agriculture, the Group has worked more specifically on three areas:
  - the Organic approach, with in particular service offers to support customers during the conversion phase to organic farming);
  - renewable energy such as bioconversion and solar. The Regional Banks hold a leading position in this type of financing in France;
  - short supply chains. Crédit Agricole offers a comprehensive range of services designed to meet the needs of the 27% of farms engaged in direct sales via short supply chains (study carried out by Adéquation on behalf of Crédit Agricole).

  Lastly, at end-2019 Crédit Agricole signed a guarantee agreement with France's Ministry of Agriculture and Food and the European Investment Fund (EIF), which raised €625 million in bank loans for agricultural and agri-food businesses and targets investment projects such as supporting new generations in the context of agro-ecological projects or the efficient use of resources such as energy, heat and water.
- In 2019, Crédit Agricole initiated an innovative strategy of banking and non-banking service platforms to help both our customers and non-customers with various problems. La Fabrique by CA, the fintech start-up studio of the Crédit Agricole Group, has already launched two platforms dedicated to creating new businesses and managing associations:
  - jesuisentrepreneur.fr is a complete platform created to inspire and assist entrepreneurs, from choosing a location to financing (the service is now available at 25 Regional Banks). This platform offers various services to entrepreneurs to support them in making their projects a reality;
  - the Yapla digital platform facilitates the management of administrative tasks and payments related to operating a non-profit organisation. The platform, launched in September 2019, can be used by all organisations, whether they are small, medium or large. It has something for all NPOs, with a free basic offer for organisations that are customers of Crédit Agricole. Several online payment services are offered (collection of contributions, of donations with tax receipts, ticketing service) and daily management (accounting, member management, creation of a website and other services).

In the Individual customers market, 2019 was driven by a good momentum with the acquisition of 185,000 new customers for the Regional Banks.

This dynamic, despite multiple forms of competition (neo-banks, online banking), can partly be explained by the good performance in the housing market and the "EKO" results, which account for around 6% of new customer contacts (with 76% of prospective customers).

In the High net worth customers market, growth in assets under management is dynamic and driven by a favourable context: low interest rates, the continued rise in the value of real estate assets, and financial markets that are also buoyant and are returning to historical levels of valuation. Nevertheless, the same context is resulting in a somewhat wait-and-see attitude on savings due to regulations and concerns about future life insurance yields. Demand deposits, for their part, grew strongly.

In the SMEs and small businesses market, the Regional Banks' strong focus on new customer acquisition resulted in a penetration rate that increased by 0.3 points for the Regional Banks (to 19.8% at end-2019). Lastly, the launch of jesuisentrepreneur.fr in June 2019 should strengthen Crédit Agricole's positions among entrepreneurs in a very dynamic market environment.

In the agricultural sector, Crédit Agricole carried out 75.6% of the startups with grants in 2018. We are currently expanding our support for young people who have started a farm business, notably through new government guarantee schemes and a new range of non-banking services.

In the corporates market, in a context of transformation (digital, environmental, human, etc.) and of confidence among managers, the financing activities continued growing in 2019 on the back of the projects of our corporate customers: €13.6 billion in new medium- and long-term loans, up +6.7% vs. 2018. Thus, over three years, this growth was +54% in three years. In addition, in early 2019 Crédit Agricole launched a training programme toward a diploma in partnership with ESCP Business School. This master's level course is designed to train corporate account managers (*chargé d'affaires entreprises* – CAE). Crédit Agricole is the first bank in France to offer its employees such training.

In the public sector, Crédit Agricole continues to support local authorities by financing nearly six out of 10 local authorities. Similarly, outstanding loans to social housing organisations increased 9% year-on-year at end-June 2019.

In the social economy market, Crédit Agricole is co-leader in bank loans to employers' associations. The partnership with Yapla, established in September 2019, is designed to strengthen our ties with associations by offering them a digital management platform.

1 MANAGEMENT REPORT

OPERATING AND FINANCIAL INFORMATION

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE GROUP

Changes to accounting policies and principles

Changes to accounting policies and principles are described in Note 1 to the consolidated financial statements for the year ended 31 December 2019.

Changes in the scope of consolidation

Changes in the scope of consolidation are described in Notes 2 and 13 to the consolidated financial statements for the year ended 31 December 2019.

ECONOMIC AND FINANCIAL ENVIRONMENT

Overview of 2019

In a climate of great uncertainty, growth continued to slow down, marked by a weak performance of productive investments and global trade

In 2019, the global economic cycle continued the slow slowdown that began with the recent peak in growth of 3.8% in 2017. Global growth is estimated to have reached 2.9% in 2019 (after 3.6% in 2018), its slowest pace since the rebound following the global financial crisis of 2008/2009. This slowdown is obviously the result of strong trends affecting, albeit unevenly, all countries and elements specific to each economy or each sector. In addition to the general trends amplifying the cyclical and structural slowdowns already at work (major developed economies and China) there are weaknesses specific to certain major emerging countries (Brazil, India, Mexico, Russia). Some industrial sectors, such as the automotive industry, have been penalized by regulatory changes (new emission standards). These specific shocks have remained limited and have had little impact on the services or construction sectors.

Looking beyond the specifics, Sino-US trade tensions (effective trade barriers, but also concerns regarding sectors and countries likely to constitute new targets) and the climate of uncertainty have clearly weighed on the outlook for demand, the incentive to invest and, more generally, on the business climate. In a more “anxiety-provoking” economic environment, the most notable slowdown was recorded by productive investments, while household consumption, overall, held up well.

Businesses have revised their investment outlooks downwards and household consumption of durable goods declined slightly. Faced with less engagement or more uncertain demand, businesses eventually adjusted their production. Global trade, which is more sensitive to investment and consumption of durable goods, weakened further. Global trade in goods and services has grown by only 1.1% in 2019, after increasing 3.6% and 5.7% in 2018 and 2017, respectively. This decline of almost 1% is also close to the average annual rate recorded between 2010 and 2018, which was close to 5% (3.8% for world GDP). However, very accommodative and largely pre-emptive monetary policies (see below) and, more particular, favourable financial terms helped to cushion the slowdown and ultimately contribute to the resilience of the labour market. Job creation, gradual wage increases, continued contained inflation and gains in purchasing power have supported confidence and household spending.

A common trend towards deceleration but national characteristics conditioned by the degree of exposure to global trade and the industrial sector

In the United States, the year 2019 ended with annualised quarterly growth of 2.1%, supported by net exports (contraction of imports) as consumer spending slowed, inventories weighed on growth and business fixed capital investment contracted for the third consecutive quarter. For the year as a whole, growth declined from 2.9% to 2.3%, but remained above the estimated potential rate of close to 2%. Domestic demand remained the main driver, with strong contributions from household consumption (1.8 percentage point) and public expenditure (0.4 point), but a marked decline in productive investment (0.2 point) and a negative contribution from foreign trade (-0.2 point). While the economy is at full employment (with an unemployment rate of 3.5% at the end of 2019), inflation remained moderate. The Federal Reserve’s preferred index (PCE, Personal Consumption Expenditures) rose by 1.4% in the fourth quarter of 2019 (annualised quarterly change), under the 2% inflation target. After averaging 2.1% in 2018, PCE inflation for the year reached 1.4%.

In China, the factors that led to a slow and natural slowdown in growth (tertiarisation, ageing, increased propensity to save, decline in the pace of job creation) were compounded by urban job losses and the trade dispute with the United States. The pace of growth slowed at the end of the year, bringing average growth for 2019 to 6.1%, its lowest level since 1990. Private and public consumption provided the bulk (60%) of the expansion, while the contribution of productive investment declined (1.9 percentage points, its lowest contribution since 2000) and that of foreign trade remained positive (0.7 point).

In the United Kingdom, the year 2019 was undeniably dominated by the Brexit saga. Lengthy parliamentary negotiations led to a stalemate involving three postponements of the Brexit date (initially set for 31 March 2019). What was at stake? Major divisions within Theresa May’s minority government and the unpopularity of her “backstop” on the Irish border. After the European elections in May, in which the Conservative Party suffered a heavy defeat, Theresa May was forced to resign as Prime Minister. Her successor Boris Johnson renegotiated the “backstop” with the EU and managed to push Labour into early general elections in mid-December. The elections resulted in a historic victory for the Conservatives over Labour, which was disadvantaged by an overly left-wing and anti-business policy.

In a context of global slowdown, uncertainty about Brexit weighed on British growth, which also proved more volatile. While household consumption held up well thanks to a fully employed labour market, private investment suffered particularly badly and recorded the worst growth rate in the G7 countries. For 2019 as a whole, growth came to an annual average of 1.4%.

In the euro zone, growth in 2019 was first disappointing and then reassuring. Disappointed because the rebound expected in the first half of the year after the manufacturing recession of late 2018 did not take place. Reassured because, although it failed to rebound, activity nevertheless stabilised in the second half of the year, avoiding a "recessionary" spiral. The resilience of domestic demand, both private consumption and investment, limited the contagion from industry to the services industry. Although job creation did slow, it still led to a fall in the unemployment rate (7.4% at the end of 2019 after 7.8% at the end of 2018). The ECB's preventive action has been effective: it has made it possible to maintain favourable financing conditions, limit the appreciation of the euro and, finally, support confidence. The fiscal impulse has been less significant, but greater than in the past in countries with room for manoeuvre. Below its potential pace (estimated at 1.3%) and still unable to revive inflation, which is still well below the ECB's target (1.2% and 1%, respectively, for total and underlying inflation), GDP growth reached an annual average of 1.2% (after 1.9% in 2018): an overall result covering significant disparities between countries depending, in particular, on their degree of exposure to global trade and industry. The disappointing performances of Germany (0.6%) and Italy (0.2%), which are more industrial and open, are contrasted with the still correct growth recorded by France (1.2%).

After 1.7% in 2018, French growth reached 1.2% thanks to robust domestic demand. Household consumption has accelerated (+1.2% in 2019 compared to 0.9% in 2018), thanks to fiscal measures to support purchasing power, announced following the "yellow jackets" protest movement and the Great National Debate in the spring. Low inflation and very dynamic job creation also contributed to the dynamic purchasing power gains (+2.1% over the year). The unemployment rate thus fell from an average of 8.7% in 2018, to an average of 8.3% in 2019. Investment by non-financial businesses also remained very dynamic and even accelerated, increasing with 4.1% over the year. Businesses thus benefited from an environment of low interest rates but also from temporary effects such as the CICE's switch to lower charges, which boosted profits and supported investment (and job creation). After an exceptionally positive contribution to growth in 2018, foreign trade made a negative contribution to growth in 2019. Indeed, while buoyant domestic demand supported imports, exports suffered from international uncertainties and the crisis in the manufacturing sector, particularly in Europe.

The implementation of accommodative monetary policies conducive to lower interest rates cushioned the economic slowdown while allowing equity markets to perform well

Against a background of low inflation, central banks reacted aggressively and largely pre-emptively to the downturn in activity. The main central banks of the advanced countries (including the US Federal Reserve and the European Central Bank, ECB) but also those of the major emerging markets have lowered their key interest rates.

The Federal Reserve made three pre-emptive cuts in the Fed Funds rate from July to October (-75 basis points, bringing the rate to 1.75%). In September, following a downward revision of growth forecasts accompanied by a downside risk due to a high degree of uncertainty, "dangerously" low inflation, and a drop in market expectations, the ECB once again mobilised all its monetary easing tools: Forward Guidance (rates that will remain at their current level or even lower as long as inflation does not converge "firmly" towards their target), lowering the deposit rate to -0.5%, introduction of a tiering system to relieve the banks. The ECB also reactivated its bond purchase programme (Quantitative Easing) at a monthly rate of €20 billion, from 1 November for an indefinite period and relaxed the conditions for TLTRO III.

In addition to monetary accommodation, 2019 ended on the hopes for a trade agreement between the United States and China, which would result in a stock market boom at the expense of the safest assets. 10-year US and German government bond yields rose sharply to end the year at 1.90% and -0.20%, while equities obviously benefited from the prevailing enthusiasm. Annual growth in the most representative markets reached nearly 15% (MSCI, emerging markets) and peaked at 29% (S&P 500).

As abruptly as the increases in US and German interest rates were at the end of 2019, their respective drops reached nearly 75 and 40 basis points over the past year, due to preventively very accommodating monetary policies that fail to reactivate inflation: growth will remain decent or even sustained for low inflation. The ECB's policy will have failed to accelerate inflation, raise interest rates and the slope of the curve. On the other hand, success is clear if it can be judged by the tightening of risk premiums in the so-called "peripheral countries", of which Spain and Italy are fine illustrations. Their spreads against the Bund narrowed from 50 bps band 90 bps, respectively, to 65 bps and 160 bps, while the French premium (at 30 bps at the end of 2019) fell by 15 bps.

CRÉDIT AGRICOLE GROUP OPERATIONS AND CONSOLIDATED RESULTS

In full-year 2019, reported net income, Group share, reached €7,198 million, compared with €6,844 million in 2018, representing an increase of +5.2%.

Specific items in 2019 had an impact limited to +€6 million on reported net income Group share. This includes the favourable decision of the French Council of State on the dispute over the tax treatment of Emporiki shares for €+1,038 million, the costs of the integration and acquisition by CACEIS of Santander and Kas Bank (-€15 million in general expenses/-€11 million in net income Group share, and -€6 million in gains and losses on other assets/-€5 million in net income Group share, respectively), a write-down of assets in the process of being disposed of for -€46 million in income on activities in the process of disposal. The acquisition of Kas Bank by CACEIS resulted in a badwill of +€22 million and the goodwill of LCL was partially impaired for-€664 million. In addition, there are recurring accounting volatility elements, namely DVA (Debt Valuation Adjustment, *i.e.* gains and losses on financial instruments related to changes in the Group's issuer spread), plus the Funding Valuation Adjustment (FVA) portion associated with the change in the issuer spread, which is not hedged, for -€16 million net income Group share, the hedge on the Large customers loan book for -€32 million, and the change in the provision for home purchase savings for -€280 million net income Group share.

Specific items in 2018 had a negative impact of just **-€5 million** on reported net income. They include the adjustment of badwill recognised at the time of acquisition of the three Italian savings banks of +€74 million, the Pioneer integration costs of -€29 million (-€56 million before tax and minority interests) and of the three Italian banks for -€1 million (-€2 million before tax and non-controlling interests), the ECB amendment -€5 million net income Group share, the amended FCA Bank for -€67 million, specific recurring items, *i.e.* the DVA for +€16 million, hedges of the loan books of the Large customers business line for +€17 million, and the changes in provisions for home purchase savings plans for -€13 million.

Excluding these specific items, **underlying net income Group share reached€7,191 million,** up **+5.0%** compared to 2018.

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**33,297**	**32,839**	**+1.4%**	**33,790**	**32,813**	**+3.0%**
Operating expenses excl.SRF	(21,386)	(21,064)	+1.5%	(21,371)	(21,005)	+1.7%
SRF	(426)	(389)	+9.4%	(426)	(389)	+9.4%
Gross operating income	**11,485**	**11,385**	**+0.9%**	**11,993**	**11,418**	**+5.0%**
Cost of credit risk	(1,757)	(1,640)	+7.1%	(1,757)	(1,640)	+7.1%
Cost of legal risk	-	(80)	n.m.	-	(75)	n.m.
Equity-accounted entities	356	266	+33.9%	356	333	+7.0%
Net income on other assets	36	87	(59.0%)	42	87	(51.8%)
Change in value of goodwill	(642)	86	n.m.	-	-	n.m.
Income before tax	**9,478**	**10,105**	**(6.2%)**	**10,634**	**10,123**	**+5.0%**
Tax	(1,737)	(2,733)	(36.5%)	(2,945)	(2,743)	+7.4%
Net income from discontinued or held-for-sale operations	(38)	(3)	n.m.	8	(3)	n.m.
Net income	**7,704**	**7,369**	**+4.5%**	**7,697**	**7,377**	**+4.3%**
Minority interests	(506)	(525)	(3.5%)	(506)	(527)	(4.0%)
NET INCOME GROUP SHARE	**7,198**	**6,844**	**+5.2%**	**7,191**	**6,849**	**+5.0%**
COST/INCOME RATIO EXCL. SRF *(%)*	**64.2%**	**64.1%**	**+0.1pp**	**63.2%**	**64.0%**	**-0.8pp**

Underlying revenues were up +3.0% compared to 2018, with a positive contribution to this growth by all business lines except Specialised Financial Services. Consumer credit is evolving in an environment of strong competitive pressure in France over the period, and the good performance of the automotive partnerships is accounted for by the equity method. Leasing and factoring posted higher net revenues, supported by very buoyant business. Revenues from the Regional Banks increased by +2.8%, thanks in particular to a positive market effect on the investment portfolio and a good performance of the fee and commission income. Revenues from the Large customers business line increased sharply (+6.5%), thanks to dynamic sales and marketing across all businesses, in market conditions that will become more favourable in 2019.

Underlying operating expenses were slightly up +1.7%, excluding the contribution to the SRF. This cost control led to a positive jaws effect of +1.3 percentage point over the period. In the core business lines alone, the increase in operating expenses excluding the SRF was +2.1%. It was mainly concentrated in the Asset Gathering and Large customers business lines, which saw their expenses increases in line with the development of their activities. The operating expenses of the Regional Banks are up and reflect in particular the financing of IT investments linked to the Medium-Term Plan, however they continue to have a positive jaws effect for the period. The underlying cost/income ratio excluding SRF was 63.2%, including IFRIC 21 expenses in the first quarter, an improvement of 0.8 percentage points compared to 2018.The contribution to the Single Resolution Fund increased substantially to €426 million, *i.e.* +9.4% compared to 2018, concentrated in the first two quarters of 2018 and 2019.

The cost of credit risk was up +7.1%/-€117 million compared to 2018 at -€1,757 million. This increase is mainly due to the Large customers business line (which reported a risk charge of -€160 million at end-December 2019, compared to a net reversal of +€64 million at end-December 2018), and financing activities in particular, stemming from the one-off provisions reported in the period. The cost of risk for the Regional Banks is improving at -21.5% for the period, with cost of risk on outstandings remaining at a low level (10 basis points).

The **underlying share of net income from equity-accounted entities** showed an increase of **+7.0%** between 2018 and 2019, at €356 million for the year 2019, reflecting the good performance of the CA Consumer Finance partnerships.

Underlying pre-tax income before discontinued operations and non-controlling interests increased by **+5.0%** to €10,634 million. The underlying tax charge amounted to €2,945 million in 2019, an increase of +7.4% compared to 2018. The **underlying effective tax rate** (excluding the contribution of equity-accounted entities, already subject to tax, and non-specific legal provisions which are not deductible) slightly increased to 28.7% in 2019 compared with 28.0% in 2018.

These developments combined led to an increase in underlying net income before non-controlling interests of 4.3% compared to 2018.

Underlying net income increased by **+5.0%** to **€7,191 million.**

The following specific items affected the financial statements of Crédit Agricole Group in 2019 and 2018:

	2019		2018	
(in millions of euros)	Gross impact[1]	Impact on NIGS	Gross impact[1]	Impact on NIGS
DVA (LC)	(21)	(16)	22	16
Loan portfolio hedges (LC)	(44)	(32)	23	17
Home Purchase Savings Plans (LCL)	(31)	(20)	(1)	(1)
Home Purchase Savings Plans (CC)	(90)	(59)	(3)	(2)
Home Purchase Savings Plans (RB)	(307)	(201)	(15)	(10)
Total impact on revenues	**(493)**	**(329)**	**26**	**21**
Santander/Kas Bank integration costs (LC)	(15)	(11)	-	-
Pioneer integration costs (AG)	-	-	(56)	(29)
Three Italian banks integration costs (IRB)	-	-	(2)	(0)
Total impact on operating expenses	**(15)**	**(11)**	**(59)**	**(29)**
ECB fine (CC)	-	-	(5)	(5)
Total impact Non-allocated legal risk provisions	**-**	**-**	**(5)**	**(5)**
FCA Bank fine (SFS)	-	-	(67)	(67)
Total impact on equity affiliates	**-**	**-**	**(67)**	**(67)**
LCL goodwill depreciation (CC)	(664)	(664)	-	-
Kas Bank badwill (LC)	22	22	-	-
Change of value of goodwill (CC)	-	-	86	74
Total impact on change of value of goodwill	**(642)**	**(642)**	**86**	**74**
Santander/Kas Bank acquisition costs (LC)	(6)	(5)	-	-
Total impact on Net income on other assets	**(6)**	**(5)**	**-**	**-**
Emporiki litigation (CC)	-	1,038	-	-
Total impact on tax	**-**	**1,038**	**-**	**-**
Reclassification of held-for-sale operations (IRB)	(46)	(46)	-	-
Total impact on Net income from held-for-sale operations	**(46)**	**(46)**	**-**	**-**
TOTAL IMPACT OF SPECIFIC ITEMS	**(1,202)**	**6**	**(19)**	**(5)**
Asset Gathering	**-**	**-**	**(56)**	**(29)**
French Retail Banking	**(338)**	**(222)**	**(16)**	**(10)**
International Retail Banking	**(46)**	**(46)**	**(2)**	**(0)**
Specialised Financial Services	**-**	**-**	**(67)**	**(67)**
Large customers	**(65)**	**(42)**	**45**	**34**
Corporate Centre	**(754)**	**315**	**78**	**67**

(1) Impact before tax and before minority interests.

Solvency

At 31 December 2019, the solvency of Crédit Agricole Group's remained at a high level with a stable CET1 ratio of 15.9%, up +0.9 percentage points compared to 31 December 2018.

- In the fourth quarter 2019, the ratio benefited from a significant positive impact of +19 basis points related to the favourable decision of the *Conseil d'État* (French Council of State) in the in the dispute over the tax treatment of equity securities where Emporiki gained +€1,038 million in income.
- Over 2019 as a whole and excluding this impact, Crédit Agricole Group generated very good capital, which represents a positive impact for the year of +83 basis points in the CET1 ratio including a dividend provision of €0.70 per share.
- At the same time, equity capital recorded a positive impact of +19 basis points thanks to the increase in OCI reserves linked to the fall in interest rates over the whole of 2019 combined with a rise in equity markets. The stock of OCI reserves in the CET1 ratio at end-December 2019, net of the effect of the risk-weighted assets of insurance reserves thus stands at 25 basis points.
- In addition, the CET1 ratio also recorded a regulatory impact of -9 basis points in 2019, including in particular the application of IFRS 16 on leases and a change in the weighting of operating risks.
- Finally, it was impacted by -14 basis points as a result of the structural operations carried out during the year (finalisation of the transaction between Agos and Banco BPM: -6 basis points, acquisition of Kas Bank by CACEIS and merger between CACEIS and Santander: -6 basis points, as well as the disposal of the shares held in BSF: +8 basis points).

At end-December 2019, risk weighted assets were €559 billion, compared to €542 billion at end-December 2018. This increase (+€17.2 billion) is mainly concentrated on insurance activities (+€5 billion) related to the decline in interest rates generating an increase in the equity method value of insurance investments, as well as on retail banking activities which recorded a good level of commercial activity both in France and abroad, generating a +€6.1 billion increase over the period.

At 15.9%, the CET1 ratio is in line with the objective set for the Group and the 2022 Medium-Term Plan to achieve and maintain a CET1 ratio greater than 16% between now and 2022 and presents a substantial buffer of +620 basis points above the 2020 SREP/P2R proforma threshold applicable to Crédit Agricole S.A. as from 1 January 2020 at 9.7%.

The **phased-in Tier 1 ratio** was 16.8% and the **total capital ratio phased-in** of **19.3%** at 31 December 2019.

Lastly, Crédit Agricole S.A.'s **phased-in leverage ratio** stood at **5.7%** at end-December 2019.

Liquidity

Liquidity is measured at Crédit Agricole Group level.

The liquidity position of Crédit Agricole Group is solid. The Group's banking cash balance sheet of €1,331 billion at 31 December 2019, **shows a surplus of stable sources over stable uses of €126 billion,** up by €8 billion compared to September 2019, but down by €11 billion compared to December 2018.

The Group's liquidity reserves, at market value and after haircuts, amounted to €298 billion at 31 December 2019, up by +€26 billion compared with end-September 2019 and end-December 2018. They covered short term debt more than two times and HQLA securities covered more than five times over short-term debt net of central bank deposits.

At end-December 2019, the numerator of the LCR ratio (including the HQLA securities portfolio, cash and central bank deposits, excluding mandatory reserves), calculated as an average over 12 months, stood respectively at €223.2 billion for Crédit Agricole Group and at €189.3 billion for Crédit Agricole S.A. The denominator of the ratio (representing net cash outflows), calculated as an average over 12 months, stood respectively at €173.3 billion for Crédit Agricole Group and at €143.8 billion for Crédit Agricole S.A.

The average LCR ratios over 12 months of Crédit Agricole Group and of Crédit Agricole S.A. stood at respectively 128.8% and 131.6% at end-December 2019. They exceeded the medium-term Plan target of around 110%. Credit institutions are subject to a threshold for this ratio, set at 100% since 1 January 2018.

The Group continues its prudent MLT funding policy, with highly diversified market access, in terms of investor base and products.

In 2019, the Group's main issuers raised the equivalent of €38.4 billion in medium/long-term debt on the markets, 43% of which was issued by Crédit Agricole S.A. (€16.4 billion in euro equivalent), compared to 34.1 billion in euro equivalent for all of 2018. In addition, €3.9 billion were also placed in Crédit Agricole Group's retail networks (Regional Banks, LCL and CA Italia) and other external networks as well as supranational institutions at end-2019.

Crédit Agricole S.A., as the Group's lead issuer, raised the equivalent of €16.4 billion of medium to long-term debt on the markets in 2019, completing 97% of its refinancing program, with €10.1 billion equivalent raised in senior preferred and collateralised senior debt instruments and €6.3 billion equivalent in senior non-preferred and Tier 2 debt instruments.

OPERATIONS AND RESULTS BY BUSINESS SEGMENT

Crédit Agricole Group's businesses are housed in five business lines:

- Savings Management and Insurance;
- Retail Banking in France;
- International Retail Banking;
- Specialised Financial Services;
- Large customers,

plus the Corporate Centre.

The Group's business lines are described in Note 5 to the consolidated financial statements for the year ended 31 December 2019 – "Operating segment information". The organisation and activities are described in section 1 of this document.

Contribution by business line to the net income of Crédit Agricole Group

(in millions of euros)	2019	2018
Retail Banking in France	2,991	2,976
International Retail Banking	375	386
Asset Gathering	2,035	1,916
Specialised Financial Services	815	738
Large customers	1,569	1,560
Corporate Centre	(588)	(732)
TOTAL	**7,198**	**6,844**

Retail Banking in France – Regional Banks

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying assets	2018 underlying assets	Δ 2019/2018 underlying assets
Revenues	**13,117**	**13,040**	**+0.6%**	**13,424**	**13,055**	**+2.8%**
Operating expenses excl. SRF	(8,836)	(8,657)	+2.1%	(8,836)	(8,657)	+2.1%
Contribution to SRF	(86)	(87)	-1.3%	(86)	(87)	-1.3%
Gross operating income	**4,196**	**4,296**	**-2.3%**	**4,502**	**4,311**	**+4.4%**
Cost of credit risk	(498)	(634)	-21.5%	(498)	(634)	-21.5%
Cost of legal risk	0	0	n.m.	0	0	n.m.
Equity-accounted entities	11	12	-12.0%	11	12	-12.0%
Net income on other assets	(6)	(1)	x3.8	(6)	(1)	x3.8
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Income before tax	**3,703**	**3,673**	**+0.8%**	**4,010**	**3,688**	**+8.7%**
Income tax charges	(1,307)	(1,280)	+2.1%	(1,413)	(1,285)	+9.9%
Net income from discontinued operations	0	0	n.m.	0	0	n.m.
Net income	**2,396**	**2,393**	**+0.1%**	**2,597**	**2,403**	**+8.1%**
Minority interests	(0)	(0)	+61.9%	(0)	(0)	+61.9%
NET INCOME GROUP SHARE	**2,396**	**2,393**	**+0.1%**	**2,597**	**2,403**	**+8.1%**

Customer assets reached €2,868.3 billion (increase of +4.7% on 2018) with an increase in on-balance sheet deposits (+6% to €1,798 billion), buoyed in particular by demand deposits (+10.2% to €629.9 billion). Off-balance-sheet deposits (€1,070.3 billion) also increased by +2.7% since 2018, with a significant increase in life insurance assets (+4.3%) at €789.3 billion.

Outstanding loans grew +6.6% compared to 2018 (€2,025 billion), with a sharp rise in home loans (+7.5%, 1,239.2 billion in loans) and business loans (+6.5%, 321.6 billion in loans).

This increase is mainly due to gross customer acquisition (+1,300,000 customers in 2019) and growth in customer base (+264,000 additional customers in 2019, including 185,000 individual customers). As well as an **improvement in customer facilities** (+9% in private premium cards as compared to December 2018, +4.4% of inventory of property and personal insurance contracts, +7.3% of outstanding consumer loans, which reached €21.6 billion as at December 2019).

For the financial year 2019, the contribution of the Regional Banks to the underlying results of Crédit Agricole Group amounted to €2,597 million, against a contribution of €2,403 million in 2018.

For 2019, specific items included a home purchase saving plan provision of -€307 million in net banking income (-€201 million in net income). In 2018, specific items included a home purchase saving plan provision of -€15 million in net banking income (-€10 million in net income).

The underlying net banking income for the year was up +2.8% at €13,424 million. This increase is notably explained by a positive market effect on the investment portfolio and by a good level of commissions.

Underlying operating expenses (excluding SRF) totalled €8,836 million for 2019, recording an increase of 2.1% compared to 2018, mainly linked to the continued IT investments under the Medium-Term Plan. The cost/income ratio (excluding SRF) was stable at 65.8%, compared to end-2018 (-0.5 percentage points).

The cost of risk was down over the period (-21.5%) and reached €498 million in 2019 with a cost of risk on outstandings still at a low level (10 basis points[1] vs. 14 basis points at end-2018).

In addition, the doubtful loans rate is down (1.87% vs. 2% at end-2018) and the coverage ratio is still high (99.1%).

(1) Average over the last four quarters of provisions on outstanding loans, annualised.

Retail Banking in France (LCL) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**3,457**	**3,433**	**+0.7%**	**3,488**	**3,433**	**+1.6%**
Operating expenses excl. SRF	(2,340)	(2,363)	-1.0%	(2,340)	(2,363)	-1.0%
Contribution to SRF	(32)	(28)	+13.2%	(32)	(28)	+13.2%
Gross operating income	**1,085**	**1,042**	**+4.2%**	**1,117**	**1,043**	**+7.1%**
Cost of credit risk	(217)	(220)	-1.2%	(217)	(220)	-1.2%
Cost of legal risk	0	0	n.m.	0	0	n.m.
Equity-accounted entities	0	0	n.m.	0	0	n.m.
Net income on other assets	2	50	-96.6%	2	50	-96.6%
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Income before tax	**870**	**872**	**-0.2%**	**901**	**873**	**+3.3%**
Income tax charges	(274)	(288)	-4.9%	(285)	(288)	-1.3%
Net income from discontinued operations	0	(1)	-100.0%	0	(1)	-100.0%
Net income	**596**	**583**	**+2.3%**	**617**	**583**	**+5.7%**
Minority interests	(0)	0	n.m.	(0)	0	n.m.
NET INCOME GROUP SHARE	**596**	**583**	**+2.2%**	**616**	**584**	**+5.6%**

LCL continues to grow with a gross customer base of +360,000 individual and business customers in 2019, and a net increase in the customer base of +40,000 individual customers and +12,000 business customers since the beginning of the year. LCL launched its new "LCL Essentiel" offering in April 2019 and had 17,000 customers at end-December. The stock of premium cards increased by +4.6% in 2019, and that of Home-Car-Health insurance policies was up by +62,000, or +6.6%, for the same period. The equipment rate for insurance property and casualty insurance products remained on a favourable trend, with an increase of +1.1 pp in 2019.

Overall customer assets grew by **+7.6%** to €206.4 billion at end-December 2019. On-balance sheet deposits grew by +8.6% to €124.0 billion, driven by demand deposit accounts (+11.7%) and savings booklets (+7.8%). Off-balance sheet deposits increased by +6.0% to €82.4 billion at end-December, mainly driven by life insurance (+5.5%).

Outstanding loans posted an increase of **+8.2%** to €129.8 billion at end-December 2019. Outstanding home loans totalled €82.4 billion (63% of total lending) and grew by +9.2% in 2019. Outstanding loans to professionals also posted a strong performance, up +11.4% in 2019.

In the French market, the average interest rate on new fixed-rate home loans was 1.13%[1] in the fourth quarter of 2019, down -6 basis points compared to the third quarter of 2019 and down -30 percentage points compared to the fourth quarter of 2018. As a result, new loans had an adverse effect on the interest margin, since they replaced maturing loans that had been granted at higher interest rates. Nevertheless, the strong origination momentum reported for home loans in 2019 (+9% compared to 2018) helped to offset this ongoing negative rate effect. After stable period, the volume of renegotiations increased over the last two quarters of 2019, reaching €1.0 billion in each of these quarters. However, renegotiation volumes remain well below the high point of €5.2 billion in fourth quarter 2016.

Over the year 2019, changes in the home purchase savings provision were the only recurring specific item in LCL's financial statements, which help to explain the difference between the reported result and the underlying result. The impact is -€31 million in revenues (-€20 million in net income Group share) compared to -€1 million and -€1 million respectively in 2018.

LCL's underlying revenues totalled €3,488 million, up compared to the previous financial year (+1.6%). Note the increase in renegotiation commissions and early repayment fees, at €24 million in 2019 from €18 million last year. Excluding these fees, the underlying net banking income increased 1.4% in comparison to last year. The low interest rate environment remains constraining, but interest income (excluding PELs/CELs) will continue to grow by 4.7% in 2019, with the volume effect offsetting the negative margin effect. Commissions decreased in 2019, down by more than -1.7% compared to 2018, penalised by an environment constrained by both regulatory (civil enforcement proceedings and fragile clientele) and financial constraints. As a result, fees for the management of accounts, services and means of payment decreased by -2.2% in 2019 to €897 million and securities management fees decreased by -15.8% in 2019 to €105 million over the year.

Underlying operating expenses excluding the SRF continued to decrease across all sub-funds to €2,340 million at the end of December 2019, down -1.0% compared to end-December 2018. Underlying cost to income ratio excluding SRF was 67.1%, an improvement of 1.7 percentage points compared to the same period 2018, thanks to a positive jaws effect for the year. Lastly, the contribution to the Single Resolution Fund – SRF – was up +13.2%, or +€4 million for the year 2019 compared to 2018.

Gross operating income thus rose 7.1%, and the cost of risk over the year fell (-1.2%) despite the increase in outstandings mentioned above. The cost of risk[2] on outstandings remained unchanged at a very low level of 17 basis points at end-December 2019, as at 31 December 2018. The coverage ratio was 74.1% at 31 December 2019.

Lastly, the underlying net income Group share was €617 million at end-December 2019, up +5.7% compared to 2018. In addition to the above-mentioned items, despite the relative stability of taxes at €285 million (-1.3% for the year with an effective tax rate of 31.6% in 2019 compared to 33.0% in 2018).

LCL contributed **8% of Crédit Agricole Group's underlying net income Group share of the business lines** (excluding the Corporate Centre division) in 2019 and **10% of their underlying revenue.**

(1) Source: *Crédit Logement* monthly observatory.

(2) Average over the last four quarters of provisions on outstanding loans, annualised.

International Retail Banking (IRB)

International Retail Banking encompasses the local banking networks in Italy, grouped under the name "Gruppo Bancario Crédit Agricole Italia" (hereafter referred to as "CA Italia"), including CA Cariparma, CA Friuladria and CA Carispezia (legally merged with Crédit Agricole Italia in July 2019), and the three banks acquired in late December 2017 in Cesena (Cassa di Risparmio – CR), Rimini and San Miniato acquired at end 2017 and merged into CA Italia, now operating under the Crédit Agricole brand name, as well as all of the Group's retail banks abroad, mainly Crédit Agricole Poland (wholly owned[(1)]), Crédit Agricole Ukraine (wholly owned[(1)]), Crédit Agricole Egypt (60.2%[(1)]) and Crédit du Maroc (78.7%[(1)]).

International Retail Banking (IRB) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	∆ 2019/2018 stated	2019 underlying	2018 underlying	∆ 2019/2018 underlying
Revenues	**2,898**	**2,835**	**+2.2%**	**2,898**	**2,835**	**+2.2%**
Operating expenses excl. SRF	(1,813)	(1,790)	+1.3%	(1,813)	(1,788)	+1.4%
Contribution to SRF	(22)	(22)	+1.5%	(22)	(22)	+1.5%
Gross operating income	**1,063**	**1,023**	**+3.9%**	**1,063**	**1,025**	**+3.7%**
Cost of credit risk	(337)	(359)	(6.0%)	(337)	(359)	(6.0%)
Cost of legal risk	-	-	n.m.	-	-	n.m.
Equity-accounted entities	-	-	n.m.	-	-	n.m.
Net income on other assets	2	14	(83.8%)	2	14	(83.8%)
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Income before tax	**728**	**678**	**+7.3%**	**728**	**680**	**+7.0%**
Income tax charges	(201)	(191)	+5.3%	(201)	(192)	+4.9%
Net income from discontinued operations	(46)	-	n.m.	(0)	-	n.m.
Net income	**481**	**487**	**(1.2%)**	**527**	**488**	**+7.8%**
Minority interests	(105)	(101)	+4.8%	(105)	(102)	+3.5%
NET INCOME GROUP SHARE	**375**	**386**	**(2.8%)**	**421**	**387**	**+8.9%**

Over 2019 as a whole, the underlying net income of **International Retail Banking** stood at €421 million, an increase of +8.9% compared to 2018, driven by growth in gross operating income (+3.7% versus 2018) benefitting from a positive jaws effect, and thanks to an improvement in credit quality (a -6.0% drop in the cost of risk compared to the same period in 2018). Please note that in 2018 there was the realisation of a capital gain over the fourth quarter on the disposal of real estate assets at Crédit du Maroc in the amount of +€14 million. Excluding CA Italia's contribution to the Italian deposit guarantee fund (-€22 million in 2019 and in 2018, the underlying cost/income ratio for the year was 62.6%, an improvement of 0.5 percentage point compared to 2018.

International Retail Banking contributed **5% of Crédit Agricole Group's underlying net income Group share of the business lines** (excluding the Corporate Centre) in 2019 and **8% of their underlying revenue.**

In Italy, the commercial activity is solid and its remains above the market, in a context of mixed economic growth.

The total outstanding amount of funds collected varied by +4.9% compared to 31 December 2018, reaching €77.9 billion at end-December 2019, excluding assets under custody. Off-balance sheet inflows increased by +8.8% in 2019, while market inflows were up +6.8%[(2)] to €36.7 billion at end-December 2018, excluding assets under custody. On-balance sheet deposits totalled €41.2 billion at end-December 2019, up +1.6% compared to 31 December 2018, thanks to a concentration of efforts on the collection of sight deposits from individual customers.

Loans outstanding stood at €43.3 billion at end-December 2018, stable (+2.6%) from end-December 2018. Accordingly, at the end-December 2019, retail loan outstandings showed a year-on-year increase of 4.9% versus growth of +0.3% for the Italian market[(3)]. Loans to businesses and SMEs also posted solid growth of 4.3% over the year, thanks in particular to dynamic activity on short-term loans granted.

The gross customer acquisition amounted to nearly +116,000 individual customers over 2019, representing an increase in the customer base of +33,000 individual customers.

The 2019 financial statements do not include any specific items. The 2018 financial statements for their part include, as a specific item, the integration costs of the three Italian banks for -€2 million in operating expenses (€0 million in net income Group share). The underlying net revenues of CA Italia stood at €1,883 million, stable at -0.1% compared to 2018.

Underlying expenses excluding SRF stood at €1,180 million, down -0.8% compared to end-December 2018. A positive jaws effect is noted over the year with loads decreasing faster than the GNP. The underlying cost to income ratio for the year was 62.7%, or an improvement of 0.5 percentage points.

The cost of risk stood at €251 million at end-December 2019, a significant drop of -8.7% compared to end-December 2018. **Cost of risk/outstandings**[(4)] stood at 57 basis points, down 10 basis points year-on-year and 67 basis points compared to third quarter 2018. The rate of doubtful loans stood at 7.8% compared to 8.4% at end-December 2018. The coverage ratio remained stable at 59.4% at end-December 2019, versus 60.0% at end-December 2018.

The business division's underlying net income Group share came to €242 million, an increase of +10.8% compared to 2018.

Italy, the Group's second largest domestic market after France, accounted for more than two-thirds of International Retail Banking revenues and almost four-fifths of loans and on-balance sheet deposits of the business line, followed by Poland and Morocco. It represents 57% of the underlying net income Group share of the International Retail Banking business line.

(1) Percentage owned at 31 December 2019.
(2) Source: estimation Prometeia, December 2019.
(3) Source: Abu, December 2019.
(4) Average over the last four quarters of provisions on outstanding loans, annualised.

International Retail Banking excluding Italy (Other IRB) continued to deliver strong business momentum and a strong financial performance this year. Total on- and off-balance sheet assets increased by +13.4%[(1)] (excluding assets under custody) between end-December 2018 and end-December 2019, to €15.0 billion. On-balance sheet deposits totalled €12.8 billion at end-December 2019, a year-on-year increase of +5.3%[(1)] in 12 months, buoyed by a good performance in Egypt (+10.2%[(1)]). Loans outstanding stood at €10.7 billion at end-December, a year-on-year increase of +6.5%[(1)].

The surplus of deposits over loans remained at €1.5 billion at end-December 2019.

In full-year 2019, net banking income was up 6.9% compared to 2018 at €1,015 million. Operating expenses saw a rise of 5.8% over the same period, thus allowing a positive jaws effect to be generated over the year. The cost to income ratio came to 62.3%, an improvement of 0.6 percentage points compared to 2018.

Underlying gross operating income strongly increased by +8.6% in 2019.

The cost of risk increased (+3.1%) and stood at -€86 million. A capital gain of +€14 million related to the disposal of real estate at Crédit du Maroc over the fourth quarter 2018 generated an unfavourable base effect on the gains or losses on other assets.

In 2019, the business division's underlying net income Group share came to €179 million, an increase of 6.5% compared with 2018.

This business now accounts for **2% of the underlying net income Group share of the business lines (excluding CC)** of Crédit Agricole Group in 2019 and **3% of its underlying revenues.**

Asset Gathering (AG)

This core business encompasses Insurance (Crédit Agricole Assurances), Asset management (Amundi) and Wealth management (Indosuez Wealth Management).

Asset Gathering (AG) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying assets	2018 underlying assets	Δ 2019/2018 underlying assets
Revenues	**6,061**	**5,770**	**5.0%**	**6,061**	**5,770**	**5.0%**
Operating expenses excl. SRF	(2,897)	(2,833)	2.2%	(2,897)	(2,777)	4.3%
Contribution to SRF	(7)	(3)	x2.2	(7)	(3)	x2.2
Gross operating income	**3,157**	**2,934**	**7.6%**	**3,157**	**2,990**	**5.6%**
Cost of credit risk	(19)	(17)	14.2%	(19)	(17)	14.2%
Cost of legal risk	0	0	n.m.	0	0	n.m.
Equity-accounted entities	46	47	-3.1%	46	47	-3.1%
Net income on other assets	32	(3)	n.m.	32	(3)	n.m.
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Income before tax	**3,215**	**2,961**	**8.6%**	**3,215**	**3,018**	**6.5%**
Income tax charges	(879)	(773)	13.6%	(879)	(788)	11.5%
Net income from discontinued operations	8	(1)	n.m.	8	(1)	n.m.
Net income	**2,345**	**2,186**	**7.2%**	**2,345**	**2,228**	**5.2%**
Minority interests	(309)	(271)	14.4%	(309)	(284)	9.1%
NET INCOME GROUP SHARE	**2,035**	**1,916**	**6.2%**	**2,035**	**1,944**	**4.7%**

At 31 December 2019, the business line's assets under management totalled €2,141 billion, a year-on-year increase of +13.9%. Net inflows reached €117.9 billion for the year 2019, driven by record inflows in asset management, a good level of inflows in insurance.

Over the year 2019 the market downturn contributed very positively to the evolution of assets under management (market and exchange rate effect at +€143.8 billion over the period, including +€120.5 billion for Amundi).

Assets under management after elimination of double counting amounted to €1,794.8 billion at 31 December 2019, an increase of +13.1% compared to 31 December 2018.

For all of 2019, the business line's contribution to the underlying net income Group share increased +4.7% compared to the same period in 2018 and stood at €2,035 million. The business line's good commercial performance led to a +5.0% year-on-year rise in underlying net banking income while underlying operating income rose by +5.6% thanks to a smaller +4.3% rise in underlying expenses. Underlying pre-tax income rose by 6.5% and underlying net income Group share by +4.7% to €2,035 million.

The cost to income ratio improved 1.3 points to 47.8%

The Asset Gathering business line contributes 25% to the underlying net income Group share of Crédit Agricole Group's business lines (excluding the CC business line) over the year 2019 as a whole and 18% to the underlying revenues excluding CC.

(1) Excluding currency impact.

Insurance (CA Assurances)

The Insurance business line reflects the results of Crédit Agricole Assurances, a wholly-owned subsidiary of Crédit Agricole S.A., which covers all insurance businesses: savings/retirement, property & casualty, death & disability, creditor and group insurance.

Insurance – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying assets	2018 underlying assets	Δ 2019/2018 underlying assets
Revenues	**2,601**	**2,442**	**+6.5%**	**2,601**	**2,442**	**+6.5%**
Operating expenses excl. SRF	(754)	(694)	+8.6%	(754)	(694)	+8.6%
Contribution to SRF	0	0	n.m.	0	0	n.m.
Gross operating income	**1,846**	**1,747**	**+5.7%**	**1,846**	**1,747**	**+5.7%**
Cost of credit risk	1	(0)	n.m.	1	(0)	n.m.
Cost of legal risk	0	0	n.m.	0	0	n.m.
Equity-accounted entities	(0)	0	n.m.	(0)	0	n.m.
Net income on other assets	(0)	(3)	n.m.	(0)	(3)	n.m.
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Income before tax	**1,847**	**1,744**	**+5.9%**	**1,847**	**1,744**	**+5.9%**
Income tax charges	(538)	(452)	+19.0%	(538)	(452)	+19.0%
Net income from discontinued operations	8	(1)	n.m.	8	(1)	n.m.
Net income	**1,318**	**1,291**	**+2.1%**	**1,318**	**1,291**	**+2.1%**
Minority interests	(3)	(10)	-71.1%	(3)	(10)	-71.1%
NET INCOME GROUP SHARE	**1,315**	**1,281**	**+2.7%**	**1,315**	**1,281**	**+2.7%**

At end-December 2019, the business line's total premium income reached €37.0 billion, an increase of over 10% compared to full-year 2018.

For the year 2019, savings and retirements premium income reached €28.5 billion, an increase of +11% compared to 2018 and driven by strong momentum in French and international business.

Moreover, Crédit Agricole Assurances has adapted its strategy to the new interest rate environment, in particular by introducing incentives for unit-linked contracts. Crédit Agricole Assurances continues to increase its profit-sharing reserves (*provision pour participation aux excédents* – PPE) to €10.8 billion at 31 December 2019 (+€1 billion compared to December 2018), or 5.2% of euro-denominated policies outstanding, which represents several years of rates paid out to policyholders (based on the rates paid out in 2018 and 2019) and which constitutes a level of coverage higher than the market average in France. This allocation is made possible by maintaining the gap between the return on assets and the return on liabilities over the year 2019. The average rate of return on assets (TRMA) reached 2.46% in 2019, still well above the average minimum guaranteed rate (0.28% at end-2019).

Assets under management continued to expand and stood at €304 billion at end-December 2019, an increase of +6.6% year-on-year. Unit-linked assets amounted to nearly €69 billion and are up +15.7% compared to end-December 2018, and euro outstandings amounted to €235 billion (+4.2%). At end-December 2019, unit-linked contracts represented 22.8% of assets under management, up +1.8 percentage points compared to end-December 2018.

In 2019, the Insurance business division's underlying net income Group share came to €1,315 million, an increase of +2.7% compared to 2018. Underlying revenues amounted to €2,601 million, up +6.5%, the underlying operating expenses amounted to €754 million (+8.6%), and the underlying cost/income ratio for the year 2019 was 29.0%, a slight increase of 0.5 points compared to 2018.

The increase in revenues was offset by the one-off acceleration in operating expenses (+8.6%) with the financing of international development and projects, particularly regulatory projects.

Insurances contributed 16% of Crédit Agricole Group's underlying net income Group share of the business lines (excluding the CC business line) in 2019 and 8% of their underlying revenues.

The solvency ratio of Crédit Agricole Assurances was 263% at 31 December 2019 and 188% not taking into account the new rules for the integration of the PPE.

Asset management (Amundi)

Asset management comprises the results of Amundi, a subsidiary 70.0% owned by Crédit Agricole Group, including 68.4% held by Crédit Agricole S.A.

Since the third quarter of 2017, the financial statements include the contribution of Pioneer, Unicredit"s asset management company, which was acquired on 3 July 2017.

From the first quarter of 2019 on, the integration costs related to this acquisition are no longer identified as specific items. In the fourth quarter 2018 these costs amounted to 9 million before tax, i.e. €4 million in net income Group share. In the second quarter 2018 the amounts were €8 million and €4 million, respectively. In third quarter 2018, the net income Group share amounts were -€12 million and -€6 million, respectively. In the fourth quarter 2018 these costs amounted to €27 million before tax, i.e. -€14 million in net income Group share and €56/€29 million in full-year 2018.

Asset management – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	∆ 2019/2018 stated	2019 underlying	2018 underlying	∆ 2019/2018 underlying
Revenues	**2,636**	**2,506**	**+5.2%**	**2,636**	**2,506**	**+5.2%**
Operating expenses excl. SRF	(1,402)	(1,416)	(1.0%)	(1,402)	(1,359)	+3.1%
SRF	(3)	(1)	x2.3	(3)	(1)	x2.3
Gross operating income	**1,231**	**1,089**	**+13.0%**	**1,231**	**1,146**	**+7.4%**
Cost of risk	(11)	(11)	(4.9%)	(11)	(11)	(4.9%)
Cost of legal risk	0	0	n.m.	0	0	n.m.
Equity-accounted entities	46	47	(3.1%)	46	47	(3.1%)
Net income on other assets	(0)	(0)	(90.5%)	(0)	(0)	(90.5%)
Change in value of goodwill	0	0	n.m.	0	0	n.m.
Income before tax	**1,266**	**1,125**	**+12.5%**	**1,266**	**1,182**	**+7.1%**
Income tax charges	(326)	(297)	+9.7%	(326)	(312)	+4.5%
Net income from discontinued operations	0	0	n.m.	0	0	n.m.
Net income	**940**	**828**	**+13.5%**	**940**	**870**	**+8.1%**
Minority interests	(287)	(253)	+13.6%	(287)	(266)	+8.0%
NET INCOME GROUP SHARE	**653**	**575**	**+13.5%**	**653**	**604**	**+8.1%**

Amundi posted assets under management of €1,653 billion at end-December 2019, up +16% compared to end-December 2018, despite the still uncertain global environment. Net inflows increased by +€108 billion in year 2019.

The increase in outstandings also benefited from healthy markets, with a market effect of +€121 billion in 2019. The increase in inflows is mainly attributable to the JVs for €84 billion and in particular to the Indian JV, which benefited from a €59.6 billion mandate.

In 2019, underlying net income Group share came to €638 million, an increase of +8.2% compared to 2018. Underlying revenues totalled €2,636 million, up +5.2% compared to the same period in 2018. The underlying operating expenses excluding SRF reached €1,402 million and were up slightly over the period (+3.1%). The year 2019 includes a contribution to the Single Resolution Fund (SRF) of €3 million, compared to €1 million in 2018.

The contribution of the equity-accounted entities, which includes in particular the income of the Amundi joint ventures in Asia, is slightly down -3.1% compared to 2018, due to an economic downturn in activity in China at the beginning of the year, despite solid operational performance in India and Korea.

The underlying cost to income ratio improved 1.1 percentage point reflecting the good commercial performance of Amundi. Operating income benefited from a positive jaws effect of more than 2 basis points. Underlying net income Group share increased by +8.1% to €638 million.

Asset management contributed 8% of Crédit Agricole Group's underlying net income Group share of the business lines (excluding the CC business line) in 2019 and 8% of their underlying revenues.

Wealth management (CA Indosuez Wealth Management)

The assets under management referred to in the business activities figures only include those of the Indosuez Wealth Management group. As a reminder, LCL's private banking customer assets amounted to €51.3 billion at end-December 2019, up 11.2% compared to end-December 2018.

The results generated by LCL's private banking business are recognised under LCL.

Wealth management – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**824**	**822**	**+0.2%**	**824**	**822**	**+0.2%**
Operating expenses excl. SRF	(740)	(723)	+2.4%	(740)	(723)	+2.4%
SRF	(4)	(2)	x2.1	(4)	(2)	x2.1
Gross operating income	**80**	**97**	**(17.8%)**	**80**	**97**	**(17.8%)**
Cost of risk	(10)	(5)	+78.1%	(10)	(5)	+78.1%
Cost of legal risk	-	-	n.m.	-	-	n.m.
Equity-accounted entities	-	-	n.m.	-	-	n.m.
Net income on other assets	32	(0)	n.m.	32	(0)	n.m.
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Income before tax	**102**	**92**	**+11.2%**	**102**	**92**	**+11.2%**
Income tax charges	(15)	(24)	(37.5%)	(15)	(24)	(37.5%)
Net income from discontinued operations	-	-	n.m.	-	-	n.m.
Net income	**87**	**68**	**+28.6%**	**87**	**68**	**+28.6%**
Minority interests	(19)	(8)	x2.5	(19)	(8)	x2.5
NET INCOME GROUP SHARE	**68**	**60**	**+13.0%**	**68**	**60**	**+13.0%**

CA Indosuez Wealth Management saw its assets under management increase by +7.6% year-on-year (+€9.3 billion), to €132.1 billion at end-December 2019, close to the historic high at the end of September 2019, bringing a positive market and exchange rate effect of €10.5 billion). The year 2019 benefited from the market rebound, which helped to restore good growth in outstandings.

Overall, assets under management in Wealth Management stood at €183.4 billion at end-December 2019, up +8.6% year-on-year.

In full-year 2019, underlying net income Group share of Wealth management was €66 million, an increase of +13.0% compared with the same period in 2018.

Underlying revenues remained unchanged, reflecting the refocusing of the business. Underlying expenses remained under control with an increase of +2.4%. Underlying pre-tax income was up +11.2%, benefiting from the sale of real estate branches.

Globally, the underlying net income Group share of business lines increased by +13.0% over the year. The underlying cost to income ratio slightly declined with 1.9 point.

Wealth management contributed 1% of Crédit Agricole Group's underlying net income Group share of the business lines (excluding the CC business line) during 2019 and 2% of their underlying revenues.

Specialised Financial Services (SFS)

Specialised Financial Services includes the Consumer finance (CA Consumer Finance – CACF) and leasing and factoring (CA Leasing & Factoring – CAL&F) activities.

Specialised Financial Services (SFS) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**2,716**	**2,769**	**(1.9%)**	**2,716**	**2,769**	**(1.9%)**
Operating expenses excl. SRF	(1,343)	(1,362)	(1.4%)	(1,343)	(1,362)	(1.4%)
Contribution to SRF	(18)	(18)	+4.5%	(18)	(18)	+4.5%
Gross operating income	**1,354**	**1,389**	**(2.5%)**	**1,354**	**1,389**	**(2.5%)**
Cost of credit risk	(497)	(467)	+6.6%	(497)	(467)	+6.6%
Cost of legal risk	-	-	n.m.	-	-	n.m.
Equity-accounted entities	295	187	+57.8%	295	254	+16.2%
Net income on other assets	0	1	(99.4%)	0	1	(99.4%)
Change in value of goodwill	-	-	n.m.	-	-	n.m.
Income before tax	**1,152**	**1,110**	**+3.8%**	**1,152**	**1,177**	**(2.1%)**
Income tax charges	(233)	(244)	(4.4%)	(233)	(244)	(4.4%)
Net income from discontinued operations	-	(0)	(100.0%)	-	(0)	(100.0%)
Net income	**919**	**866**	**+6.1%**	**919**	**933**	**(1.5%)**
Minority interests	(104)	(128)	(18.4%)	(104)	(128)	(18.4%)
NET INCOME GROUP SHARE	**815**	**738**	**+10.4%**	**815**	**805**	**+1.2%**

CACF's assets under management totalled €362.3 billion and continued their upward trend (+5,7% over the year), as did consolidated assets under management, which also rose (+3.2%) to €137.1 billion.

The business division's underlying net income Group share came to €644 million, an increase of +0.9% year-on-year. Revenues totalled €2,144 million, down -2.7% compared to 2018, as was gross operating income (-3.7%), in a context of strong competitive pressure in France. However, operating expenses decreased over the period (-1.8% to 1,057 million), mainly due to the ongoing cost-cutting plan in France. The cost of risk rose 9% due in particular to the effect of discounting the parameters of the provisioning models, but remained at a low level with a cost of risk on average outstanding loans[(1)] (128 bps) lower than the assumption of normalisation of the MTP (<160 bps) Lastly, the contribution of equity-accounted entities to the net income Group share increased compared to 2018 (+16.2%). In this context, the cost to income ratio excluding the SRF stood at 49.3%, unchanged compared to 2018 (+0.5 percentage points).

2019 was marked by a very good level of activity at **CAL&F** with, in particular, commercial leasing production reaching its highest level since 2014 (€1.8 billion in Q4 2019). Against this backdrop, outstandings in lease finance were up +3.0% as compared to 2018 year-on-year to €59.2 billion.

The business division's underlying net income Group share came to €171 million, an increase of +2.5% compared with 2018. Net banking income increased over the same period (+1.4% to €572 million), thanks in particular to a significant increase in new business. Operating expenses were stable over the year (+0.4% to 286 million) and gross operating income reached €278 million, up +2.5%. The cost of risk fell (-12.3% to €47 million) due in particular to the effect of discounting the parameters of the provisioning models. Lastly, the cost to income ratio excluding SRF came to 50%, stable compared to 2018 (-0.5 percentage point).

Specialised Financial Services contributed 15% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2019 and 13% of underlying revenues on the same basis.

Underlying RoNE of the business line was 16.0% in 2019, compared with 16.3% in 2018, a level above the medium-term plan targets of 14%.

At 31 December 2019, capital allocated to the Specialised Financial Services division was €5.2 billion (14% of the total allocation), and risk-weighted assets stood at €54.8 billion (17% of total).

(1) Average over the last four quarters of provisions on outstanding loans, annualised.

Large customers (CIB and Asset Servicing)

The Large customers division includes the Capital Markets, Investment Banking, Structured Finance and Commercial Banking business lines housed within Crédit Agricole Corporate & Investment Bank (CACIB), as well as Asset Servicing, hosted within CACEIS.

Large customers (LC) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**5,601**	**5,370**	**+4.3%**	**5,666**	**5,325**	**+6.4%**
Operating expenses excl. SRF	(3,321)	(3,169)	+4.8%	(3,305)	(3,169)	+4.3%
Contribution to SRF	(177)	(170)	+4.6%	(177)	(170)	+4.6%
Gross operating income	**2,103**	**2,031**	**+3.6%**	**2,184**	**1,986**	**+10.0%**
Cost of credit risk	(159)	64	n.m.	(159)	64	n.m.
Cost of legal risk	-	-	n.m.	-	-	n.m.
Equity-accounted entities	4	0	x11	4	0	x11
Net income on other assets	6	14	(55.9%)	12	14	(10.5%)
Change in value of goodwill	22	-	n.m.	-	-	n.m.
Income before tax	**1,976**	**2,109**	**(6.3%)**	**2,041**	**2,064**	**(1.1%)**
Income tax charges	(407)	(551)	(26.1%)	(430)	(539)	(20.3%)
Net income from discontinued operations	-	-	n.m.	-	-	n.m.
Net income	**1,569**	**1,559**	**+0.7%**	**1,611**	**1,525**	**+5.6%**
Minority interests	(0)	2	n.m.	(0)	2	n.m.
NET INCOME GROUP SHARE	**1,569**	**1,560**	**+0.6%**	**1,611**	**1,526**	**+5.5%**

In an improving market environment, particularly in the fourth quarter 2019, but one that is nevertheless complex, with, in particular, various concerns such as the global economic slowdown, the various Sino-American trade issues, the effects of Brexit and, more generally, concerns related to geopolitical risk, the core business' underlying revenues rose +6.4% over the year to reach €5,666 million in 2019. This good trend can be observed across the division's various businesses, but is mainly driven by Market and Investment Banking, whose underlying revenues rose +12.7% compared to financial year 2018.

Underlying revenues of the **financing activities** are slightly up +0.9%, to €2,504 million, as a result of good performance in Structured Finance (+7.8%) offsetting the declining performance of Corporate Banking and others (-3.7%).

- Structured finance performance was driven by Financing Acquisition, Oil & Gas, and Real Estate.
- Revenue growth in Structured Finance and International Trade and Transaction Banking is masked by lower revenues in Debt Optimisation and Distribution.
- Revenues from International Trade and Transaction Banking increased with continued growth in Private Equity Financing Solutions in partnership with CACEIS, the development of the Supply Chain business, and growth in the Export portfolio driven by a good level of new production in 2019. The decline in oil prices has had an unfavourable impact on the activities of Global Commodities Finance.

Furthermore, the activities of Debt Optimisation and Distribution are in decline. Activity remained at a good level, despite a downturn in the global syndicated loan market. Crédit Agricole CIB maintained its position on syndicated loans by remaining on second place[1] for the syndication activities of Corporates in the EMEA zone.

Underlying revenues from **Capital Markets and Investment Banking** were up +13.3% to €2,226 million in the adverse market environment for fixed income activities, despite trade volumes on the up in the first quarter, except for credit. Revenues were boosted by the good performance of fixed income activities, against a backdrop of an accommodating ECB policy favourable to credit and interest rate activities. Indeed, interest rate activities benefited from sustained activity, particularly on euro swaps and Secured Funding, which had an excellent fourth quarter. The Credit recorded a very good performance over the year, due on the one hand to a very good level of primary and secondary revenues, and on the other hand to a 2018 basis of comparison which had been impacted by reduced commercial activity in a context unfavourable to emissions. The foreign exchange business performed well, particularly in Asia, thanks to good commercial activity, while revenues from Securitisation activities were down slightly year-on-year but slightly higher net of the cost of risk.

Asset Servicing (CACEIS) posted a significant increase in assets, due to solid organic growth, but above all to the consolidation of the assets of KAS Bank (consolidated at 30 September 2019) and Santander Securities Services ("S3") (consolidated at 31 December 2019). Assets under custody thus stood at €3,879 billion at end-December 2019, up +47.3% year-on-year, and assets under administration at €2,047 billion (+21.0% compared to end-2018). The consolidation of the assets of KAS Bank and S3 is not yet reflected in the results (only one quarter of KAS Bank's results is included in the 2019 results). Net banking income is up +6.6% and the underlying operating expenses excluding the contribution to the SRF are also up +9.1% compared to 2018 due to the increase in staff and IT costs to support the acquisition of new clients.

In terms of results, the specific items are:

- DVA (Debt Valuation Adjustment), -€21 million in revenues and -€16 million in net income Group share, booked in CIB/IMB (Market and Investment Banking);
- hedges of loan portfolios, amounting to -€44 million in revenues and -€32 million net income Group share income Group share, booked under BFI/BF financing activities;

(1) As a bookrunner – Source: Refinitiv R17.

- integration costs for Santander/Kas Bank, -€15 million in expenses and -€11 million in net income, Group share, booked in Asset Servicing;
- the acquisition costs of Santander/Kas Bank, -€6 million in net gains/losses on other assets and -€5 million in net income Group share, recorded in Asset Servicing;
- Kas Bank badwill, €22 million in changes in goodwill and in net income, Group share, recorded in Asset Servicing.

Underlying expenses excluding the contribution to the Single Resolution Fund (SRF) of €3,305 million, up +4.3% compared to 2018, mainly due to organic growth as well as IT investments.

The cost of risk, which is still in a normalisation phase, recorded a provision of -€160 million in 2019 compared to a net reversal of +€64 million in 2018. It should be noted that the low cost of risk in 2018 was linked to the removal from the balance sheet of a few files and net write-backs on Buckets 1 and 2. The cost of risk on outstandings came to 12 basis points[(1)], below the assumptions of the 2022 Medium-Term Plan by 20-25 percentage points.

In 2019, underlying net income Group share came to €1,611 million, an increase of +5.5% compared to 2018.

The contribution to the Single Resolution Fund (SRF increased by +4.6% over the year to €177 million compared to €170 million in 2018. The underlying cost-income ratio excluding SRF improved by -1.2 percentage point to 58.3% for the full year 2019.

The division's RoNE (return on standardised allocated equity) continued to grow and stood at 12.7%, compared to 12.5% for the full year 2018, well above the target set out in the 2022 Medium Term Plan (over 10%).

The Large customers division accounted for 20% of the underlying net income Group share of Crédit Agricole Group's business lines (excluding the Corporate Centre) in 2019 and16% of their underlying revenue.

Corporate Centre (CC)

This division comprises three types of so-called structural activities:

- *Crédit Agricole S.A.'s role as the central body of Crédit Agricole S.A., asset-liability management, management of liabilities related to acquisitions of subsidiaries or financial investments, and the net effects of Crédit Agricole S.A.'s tax consolidation;*
- *the results of the private equity business and results of various other Crédit Agricole S.A. companies (in particular CA Real estate, Uni-medias, Foncaris, etc.);*
- *the results of resource companies carrying out dedicated activities on behalf of the Crédit Agricole Group and its subsidiaries: IT production (CAGIP), payment activities (CAPS) and real estate operations (SCI);*

This segment also includes other non-structural items, such as the volatile technical impacts of intra-group transactions.

The 2019 financial statements include several specific items for a total impact of +€315 million in net income Group share, which concern the positive impact of the favourable decision of the French Council of State on the dispute over the tax treatment of Emporiki shares for +€1,038 million, the negative impact of the goodwill impairment recognised on LCL for -€664 million as well as the provision for home purchase savings plans set aside by Crédit Agricole S.A. for -€59 million. For the year 2018, specific items had a total impact of +€67 million, which included home purchase saving plan provisions of -€2 million, the ECB fine (-€5 million under cost of legal risk), as well as the change in goodwill for +€74 million.

(1) Cost of risk on outstandings.

Corporate Centre (CC) – Contribution to results, stated and underlying 2019

(in millions of euros)	2019 stated	2018 stated	∆ 2019/2018 stated	2019 underlying	2018 underlying	∆ 2019/2018 underlying
Revenues	**(553)**	**(377)**	**+46.7%**	**(463)**	**(374)**	**+23.9%**
Operating expenses excl. SRF	(837)	(890)	(5.9%)	(837)	(890)	(5.9%)
Contribution to SRF	(83)	(62)	+34.3%	(83)	(62)	+34.3%
Gross operating income	**(1,473)**	**(1,329)**	**+10.9%**	**(1,383)**	**(1,326)**	**+4.3%**
Cost of credit risk	(29)	(8)	x3.7	(29)	(8)	x3.7
Cost of legal risk	-	(80)	(100.0%)	-	(75)	(100.0%)
Equity-accounted entities	-	19	(100.0%)	-	19	(100.0%)
Net income on other assets	(1)	13	n.m.	(1)	13	n.m.
Change in value of goodwill	(664)	86	n.m.	-	-	n.m.
Income before tax	**(2,166)**	**(1,299)**	**+66.8%**	**(1,413)**	**(1,377)**	**+2.6%**
Income tax charges	1,564	594	x2.6	495	593	(16.4%)
Net income from discontinued operations	(0)	-	n.m.	(0)	-	n.m.
Net income	**(602)**	**(705)**	**(14.6%)**	**(917)**	**(784)**	**+17.0%**
Minority interests	14	(27)	n.m.	14	(16)	n.m.
NET INCOME GROUP SHARE	**(588)**	**(732)**	**(19.6%)**	**(904)**	**(800)**	**+13.0%**

In 2019, the business division's underlying net income Group share came to -€904 million, (compared to -€800 for 2018). This includes a contribution to the Single Resolution Fund (SRF) of -€83 million, an increase of +34.3% compared to 2018.

The structural contribution improved in 2019 compared to 2018, mainly as a result of an improvement in the contribution of the operations and functions of Crédit Agricole S.A.'s Corporate Centre (gradual reduction in the cost of debt). At the same time, the contribution of the other non-structural items is negative compared to 2018 (which represented a high comparative basis).

CRÉDIT AGRICOLE GROUP CONSOLIDATED BALANCE SHEET

(in millions of euros)	Notes	31/12/2019	31/12/2018	Changes
Cash, central banks	6.1	97,135	70,584	37.6%
Financial assets at fair value through profit or loss	3.1-6.2-6.6-6.7	404,336	372,142	8.7%
Hedging derivative instruments	3.2-3.4	20,947	15,829	32.3%
Financial assets at fair value through equity capital	3.1-6.4-6.6-6.7	272,312	264,981	2.8%
Financial assets at amortised cost	3.1-3.3-6.5-6.6-6.7	1,109,579	1,032,456	7.5%
Loans and receivables due from credit institutions		100,949	97,194	3.9%
Loans and receivables due from customers		913,496	854,681	6.9%
Debt securities		95,134	80,581	18.1%
Revaluation adjustment on interest rate risk hedged portfolios		11,714	8,337	40.5%
Current and deferred tax assets	6.10	6,293	6,223	1.1%
Accruals, prepayments and sundry assets	6.11	44,440	44,343	0.2%
Non-current assets held for sale and discontinued operations		475	257	84.8%
Deferred participation benefits	6.16		52	
Investments in equity-accounted entities	6.13	7,103	6,308	12.6%
Investment property	6.14	7,277	6,967	4.4%
Tangible capital assets(1)	6.15	10,153	7,778	30.5%
Intangible assets(1)	6.15	3,383	2,442	38.5%
Goodwill on acquisitions	6.16	15,819	16,064	-1.5%
TOTAL ASSETS		**2,010,966**	**1,854,763**	**8.4%**

(1) See Note 12 "Impacts of accounting changes or other events" on the impacts of the first-time application of IFRS 16 "Leases" at 1 January 2019.

(in millions of euros)	Notes	31/12/2019	31/12/2018	Changes
Central banks	6.1	2,183	1,140	91.5%
Financial liabilities at fair value through profit or loss	6.2	245,109	225,902	8.5%
Hedging derivative instruments	3.2-3.4	20,498	16,170	26.8%
Financial liabilities at amortised cost		1,168,448	1,084,032	7.8%
Due to credit institutions	3.3-6.8	99,575	95,970	3.8%
Debt due to customers	3.1-3.3-6.8	855,507	789,835	8.3%
Debt securities	3.3-6.8	213,366	198,227	7.6%
Revaluation adjustment on interest rate risk hedged portfolios		10,508	7,879	33.4%
Current and deferred tax liabilities	6.10	3,995	2,442	63.6%
Adjustment accounts and sundry liabilities[1]	6.11	51,366	48,009	7.0%
Liabilities associated with non-current assets held for sale and discontinued operations		478	229	108.7%
Insurance company technical reserves	6.17	358,249	325,910	9.9%
Provisions	6.18	6,937	8,107	-14.4%
Subordinated debt	3.3-6.19	21,661	22,755	-4.8%
Total liabilities		**1,889,432**	**1,742,575**	**8.4%**
Equity		**121,534**	**112,188**	**8.3%**
Equity – Group share		**114,972**	**106,717**	**7.7%**
Non-controlling interests		**6,562**	**5,471**	**19.9%**
TOTAL LIABILITIES		**2,010,966**	**1,854,763**	**8.4%**

(1) See note 12 "Impacts of accounting changes or other events" on the impacts of the first-time application of IFRS 16 Leases at 1 January 2019.

Main changes in the consolidated balance sheet

At 31 December 2019, the consolidated balance sheet of the Crédit Agricole Group amounted to €2,011.0 billion, up +€156.2 billion (8.4%) compared with the 2018 balance sheet. This increase is mainly attributable to:

- the rise in financial assets at amortised cost totalling €77.1 billion;
- the rise in financial assets at fair value through profit or loss of €32.2 billion;
- the rise in loans and receivables due from customers of €58.9 billion.

The rest of the increase the increase is linked to cash and central bank aggregates (+€26,5 billion) and debt securities (+€14,5 billion).

Analysis of the main items

- **Financial assets at fair value through profit or loss** amounted to €404.3 billion at 31 December 2019, a rise of +8.7% year-on-year, *i.e.* +€32.2 billion. This increase was mainly due to Other financial assets at fair value through profit or loss, which increased by €27.7 billion.
- **Financial assets at fair value through equity** stood at €272.3 billion at end-December 2019, an increase of +€7.3 billion (+2.8%).
- **Financial assets at amortised cost** totalled €1109.6 billion at end-December 2019, an increase of 77.1% (+7.5%).
- **Regional Banks and central banks** rose +€25.5 billion (+37.6%) in assets and +€1 billion (+ 91.5%) in liabilities.
- **Financial liabilities at fair value through profit or loss** stand at €245.1 billion at 31 December 2019, up +€19.2 billion (of which +€13.3 on financial liabilities held for trading year-on-year (+8.5%).
- **Hedging derivatives** recorded increases of +32.3% in assets and +26.8% in liabilities, attributable chiefly to Crédit Agricole S.A. as a result of the increase in outstanding interest rate swaps due to the market environment and the change in fair value of interest rate swaps.
- **Underwriting reserves for insurance contracts** increased by +10% in 2019 from 2018, reaching €358.2 billion. This increase mainly stems from Predica (increase in profit sharing and increase in technical reserves for €22.8 billion) and the Group's other insurers contributed +€8.6 billion to this increase, in line with business growth and the transfer of a portfolio.
- **Equity** amounted to €121.5 billion at 31 December 2019, a year-on-year increase of +8.3%. Equity – Group share were also up (+7.7%) to €114.9 billion at end-2019, mainly reflecting the inclusion of income for the year (+€5.2 billion).

Capital management and regulatory ratios

The amendment to IAS 1 adopted by the European Union on 11 January 2006 requires quantitative and qualitative disclosures on the issuer's capital and management of its capital *i.e.* objectives, policies and processes for managing capital. This information is provided in Note 3.6 to the financial statements and in "Pillar 3 disclosures", provided below. For financial year 2019, return on assets[1] was 0.37%.

(1) Referring to Article R. 511-16-1 of the Monetary and Financial Code, profitability of assets is obtained by dividing the net accounting income with the total balance-sheet, on a consolidated basis.

INFORMATION ON CRÉDIT AGRICOLE GROUP ENTITIES

The information about Crédit Agricole Group entities required by Article 7 of Law No. 2013-672 of 26 July 2013 on the separation and regulation of banking activities and by Order No. 2014-158 of 20 February 2014 supplemented by Implementing Decree No. 2014-1657 of 29 December 2014 implementing Article L. 511-45 of the French Monetary and Financial Code, are detailed below.

Consolidated entities included in this reporting are the parent company, the subsidiaries and the branches. Entities classed as "held-for-sale or discontinued operations" under IFRS 5, as well as entities consolidated using the equity method, are excluded. The Regional Banks form part of the French tax consolidation group.

Revenues from foreign entities correspond to their territorial contribution to the consolidated financial statements prior to elimination of reciprocal intragroup transactions.

Headcount corresponds to the average number of employees of the reporting period.

Geographic location	Revenues excluding intragroup eliminations	Headcount *(full time equivalent)*	Income before tax	Income tax charge – current[1]	Income tax charge – deferred[1]	Public grants received
FRANCE (INCLUDING DOM-TOM)						
France[2]	22,372	102,987	5,689	(900)	104	-
France DOM-TOM	392	1,618	98	(32)	5	-
OTHER EU COUNTRIES						
Germany	494	1,281	131	(39)	(2)	-
Austria	53	121	25	(8)	2	-
Belgium	56	111	25	(11)	1	-
Bulgaria	-	2	-	-	-	-
Denmark	-	-	-	-	-	-
Spain	190	729	85	(18)	(14)	-
Finland	9	12	3	(1)	-	-
Greece	(9)	21	(12)	-	-	
Hungary	4	19	1	-	-	-
Ireland[3]	142	576	54	(11)	10	-
Italy	3,137	12,338	949	(308)	5	-
Luxembourg	1,049	1,450	749	(85)	-	-
Netherlands	68	400	(58)	(5)	16	-
Poland	409	5,081	30	(15)	3	-
Portugal	136	472	68	(17)	(2)	-
Czech Republic	28	94	15	(3)	-	-
Romania	1	8	-	-	-	-
United Kingdom	999	903	650	(108)	(7)	-
Slovakia	2	4	-	-	-	-
Sweden	31	43	15	-	(3)	-
OTHER EUROPE COUNTRIES						
Monaco	149	467	73	(9)	-	-
Russia	20	177	2	-	-	-
Serbia	44	886	9	-	-	-
Switzerland	329	1,406	53	(15)	1	-
Ukraine	125	2,374	74	(13)	-	-
Guernsey[4]	1	-	-	-	-	-
NORTH AMERICA						
Canada	12	13	3	(2)	2	-
United States	1,360	1,214	324	(136)	47	-
Mexico	1	3	-	-	-	-
CENTRAL AND SOUTH AMERICA						
Argentina	-	-	-	-	-	-
Brazil	54	135	22	(1)	(5)	-
Chile	2	1	1	-	-	-
AFRICA AND MIDDLE EAST						
Algeria	6	25	3	(1)	-	-
Egypt	216	2,459	139	(36)	4	-

Geographic location	Revenues excluding intragroup eliminations	Headcount *(full time equivalent)*	Income before tax	Income tax charge – current[1]	Income tax charge – deferred[1]	Public grants received
United Arab Emirates	55	101	40	(1)	-	-
Morocco	219	2,578	72	(26)	-	-
Mauritius	3	122	-	-	-	-
ASIA AND OCEANIA (EXCLUDING JAPAN)						
Australia	56	30	47	(13)	(1)	-
China	59	154	27	(3)	(7)	-
South Korea	67	89	35	(2)	(6)	-
Hong Kong	260	686	56	(4)	(5)	-
India	37	181	27	(2)	-	-
Malaysia	10	22	7	(1)	-	-
Singapore	290	744	68	(11)	-	-
Taiwan	38	110	10	1	(4)	-
JAPAN						
Japan	321	428	155	(45)	-	-
TOTAL	**33,297**	**142,675**	**9,764**	**(1,881)**	**144**	**-**

(1) Positive amounts represent a revenue and negative amounts a charge.

(2) Tax policy is presented on Chapter 2 - "Social, environmental and societal contribution" in the 2018 Registration Document of Credit Agricole S.A.

(3) Irish mutual funds owned by the Group are fiscally transparent. Their income is taxed in France.

(4) Companies located in Guernsey are taxed in France (in application of article 209 B of the Code général des impôts*).*

Entities

At 31 December 2019, the Group had the following entities:

Operation name	Type of business	Geographic location
2,417 Caisses locales	FRB	France
38 Caisses régionales	FRB	France
58 fonds UC dont le taux de détention est supérieur ou égal à 95%	AG	France
Banque Chalus	FRB	France
Bforbank S.A.	FRB	France
Caisse régionale Provence – Côte d'Azur, Agence de Monaco	FRB	Monaco
Cofam	FRB	France
CRCAM SUD MED. SUC	FRB	Spain
FIMO Courtage	FRB	France
Interfimo	FRB	France
LCL	FRB	France
LCL Succursale de Monaco	FRB	Monaco
Sircam	FRB	France
Locam	FRB	France
Bercy Participations	FRB	France
CA Centre France Développement	FRB	France
CA INVESTISSEMENTS STRATÉGIQUES CENTRE-EST	FRB	France
CACF Immobilier	FRB	France
CADINVEST	FRB	France
CADS Capital	FRB	France
CADS Développement	FRB	France
Calixte Investissement	FRB	France
Centre Loire Expansion	FRB	France
Charente Périgord Expansion	FRB	France
Crédit Agricole F.C. Investissement	FRB	France
Crédit Agricole Languedoc Énergies Nouvelles	FRB	France
Foncière du Maine	FRB	France
L'Immobilière d'A Côté	FRB	France
NECI	FRB	France
NMP Développement	FRB	France
Nord Capital Investissement	FRB	France
Nord Est Expansion	FRB	France
Sequana	FRB	France
Socadif	FRB	France
Société Financière de Ty Nay	FRB	France
Société Financière du Languedoc Roussillon (SOFILARO)	FRB	France
Camca Assurance	FRB	Luxembourg
Camca Courtage	FRB	France
Camca Lux Finance Management Company	FRB	Luxembourg
Camca Réassurance	FRB	Luxembourg
Fcp Camca Lux Finance	FRB	Luxembourg
Groupe CAMCA	FRB	France
Sci 32 Liberté	FRB	Luxembourg
Sci Haussmann 122	FRB	France
Sci La Boétie 65	FRB	France
57 COURS DE LA LIBERTÉ (SCI)	FRB	France
Angle Neuf	FRB	France
Aquitaine Immobilier Investissement	FRB	France
Charente Périgord Immobilier	FRB	France

Operation name	Type of business	Geographic location
CREDIT AGRICOLE ATLANTIQUE VENDÉE IMMOBILIER PARTICIPATION	FRB	France
Franche Comté Développement Foncier	FRB	France
Franche Comté Développement Immobilier	FRB	France
Immeuble Franche Comté	FRB	France
Midi Toulousain Immobilier	FRB	France
Nord Est Aménagement Promotion	FRB	France
Nord Est Immo	FRB	France
Nord Est Optimmo S.A.S.	FRB	France
Nord Est Patrimoine Immobilier	FRB	France
Normandie Seine Foncière	FRB	France
S.A. Foncière de l'Erable	FRB	France
S.A.S. Chalons Mont Bernard	FRB	France
S.A.S. Charleville Forest	FRB	France
S.A.S. Laon Brosselette	FRB	France
SAS CENTRE D'AFFAIRES DU PARC LUMIÈRE	FRB	France
SAS Crédit Agricole Centre Loire Investissement	FRB	France
SCI 1 PLACE FRANCISQUE-REGAUD	FRB	France
SCI 22 QUAI SARRAIL	FRB	France
SCI 25-27 RUE DES TUILERIES	FRB	France
SCI 27 QUAI ROMAIN-ROLLAND	FRB	France
SCI 3 QUAI JEAN-MOULIN	FRB	France
SCI 5 RUE DU BŒUF	FRB	France
SCI 50-52 MONTÉE DU GOURGUILLON	FRB	France
SCI CAP ARROW	FRB	France
SCI CONFIDENCE	FRB	France
SCI Crystal Europe	FRB	France
SCI DE LA CROIX ROCHERAN	FRB	France
SCI DE LA MAISON DU GRIFFON	FRB	France
SCI DES JARDINS D'ORSAY	FRB	France
SCI DU 113 RUE DES CHARMETTES	FRB	France
SCI DU 36	FRB	France
SCI DU 7 RUE PASSET	FRB	France
SCI DU JARDIN LAENNEC	FRB	France
SCI DU JARDIN SAINT-JOSEPH	FRB	France
SCI Euralliance Europe	FRB	France
SCI GAMBETTA	FRB	France
SCI GREEN CROZET	FRB	France
SCI JDL BÂTIMENT 5	FRB	France
SCI LA RUCHE 18-20	FRB	France
SCI LE BRETAGNE	FRB	France
SCI MONTAGNY 71	FRB	France
SCI Quartz Europe	FRB	France
SCI SILK OFFICE	FRB	France
SCI VILLA BELLA	FRB	France
SQUARE HABITAT ATLANTIQUE VENDÉE	FRB	France
Square Habitat Nord de France	FRB	France
Square Habitat Toulouse 31	FRB	France
955	FRB	France
SNC 120 RUE SAINT-GEORGES	FRB	France
1 BD MONGE	FRB	France
11 GABRIEL PÉRI	FRB	France

Operation name	Type of business	Geographic location
15 RUE DE SAINT-CYR	FRB	France
2 PL. DUMAS DE LOIRE & 7 R 2 PLACES	FRB	France
21 ALSACE LORRAINE	FRB	France
24 RUE D'ALSACE	FRB	France
24 RUE DES TUILLIERS	FRB	France
29 LANTERNE	FRB	France
3 CUVIER	FRB	France
37 ROUTE DES BLANCHES (GEX FERNEY)	FRB	France
42 RUE MERCIÈRE	FRB	France
57 RUE MARCHANDE	FRB	France
6 RUE VAUBECOUR	FRB	France
78 DENFERT	FRB	France
7-9-11 RUE DU MILIEU	FRB	France
91 CREQUI	FRB	France
93 GRANDE RUE D'OULLINS	FRB	France
ADMINISTRATION GESTION IMMOBILIÈRE	FRB	France
Adret Gestion	FRB	France
ALGERIE 10	FRB	France
Alsace Elite	FRB	France
Anjou Maine Gestion	FRB	France
Aquitaux Rendement	FRB	France
Armor Fonds Dédié	FRB	France
AZUR	FRB	France
Bercy Champ de Mars	FRB	France
BOUTIN 56	FRB	France
Brie Picardie Croissance	FRB	France
C.L. Verwaltungs und Beteiligungsgesellschaft GmbH	FRB	Germany
CA Aquitaine Agences Immobilières	FRB	France
CA Aquitaine Immobilier	FRB	France
CA Centre-Est Développement Immobilier	FRB	France
CAAP CREATION	FRB	France
CAAP Immo	FRB	France
CAAP IMMO GESTION	FRB	France
CAAP Immo Invest	FRB	France
CAM HYDRO	FRB	France
CAP ACTIONS 3	FRB	France
CAP Régulier 1	FRB	France
CAP Régulier 2	FRB	France
CAPG ÉNERGIES NOUVELLES	FRB	France
CAPG INVESTISSEMENTS ÉNERGÉTIQUES	FRB	France
CAPI Centre-Est	FRB	France
CASRA CAPITAL	FRB	France
Centre France Location Immobilière	FRB	France
Chabrillac	FRB	France
CHALOPIN GUILLOTIÈRE	FRB	France
Compagnie Foncière Lyonnaise	FRB	France
CONSTANTINE 12	FRB	France
Crédit Agricole Centre-Est Immobilier	FRB	France
Crédit Agricole Languedoc Immobilier	FRB	France
Crédit Lyonnais Développement Économique (CLDE)	FRB	France
CROIX ROUSSE	FRB	France
DAPAR	FRB	France
DE L'ARTOIS	FRB	France
DES CYGNES	FRB	France

Operation name	Type of business	Geographic location
DES ÉCHEVINS	FRB	France
DES PAYS-BAS	FRB	France
DU 34 RUE ÉDOUARD-HERRIOT	FRB	France
DU 46	FRB	France
DU BOIS DU PORT	FRB	France
DU CARILLON	FRB	France
DU CORBILLON	FRB	France
DU CORVETTE	FRB	France
DU ROZIER	FRB	France
DU TOURNE-FEUILLE	FRB	France
Edokial	FRB	France
Émeraude Croissance	FRB	France
EPV6	FRB	France
EUROHABITAT	FRB	France
EUROTERTIAIRE 2	FRB	France
Everbreizh	FRB	France
FCP Centre Loire	FRB	France
FCT Crédit Agricole Habitat 2015 (excl. Compartiment Corse)	FRB	France
FCT Crédit Agricole Habitat 2017 (excl. Compartiment Corse)	FRB	France
FCT Crédit Agricole Habitat 2018 (excl. Compartiment Corse)	FRB	France
FCT Crédit Agricole Habitat 2019 (excl. Compartiment Corse)	FRB	France
FCT True Sale (Compartiment LCL)	FRB	France
Fief Nouveau	FRB	France
Financière PCA	FRB	France
Finarmor Gestion	FRB	France
FINIST-LCR	FRB	France
Foncière Crédit Agricole Sud Rhône-Alpes	FRB	France
Foncière TP	FRB	France
Fonds dédié Elstar	FRB	France
Force 29	FRB	France
Force Alsace	FRB	France
Force Charente-Maritime Deux-Sèvres	FRB	France
Force Iroise	FRB	France
Force Languedoc	FRB	France
Force Lorraine Duo	FRB	France
Force Profile 20	FRB	France
Force Run	FRB	France
Force Toulouse Diversifié	FRB	France
Force 4	FRB	France
GRANGE HAUTE	FRB	France
Immocam	FRB	France
Inforsud Diffusion	FRB	France
Inforsud Gestion	FRB	France
INTERIMOB	FRB	France
JOLIOT-CURIE	FRB	France
L'EGLANTINE	FRB	France
LES OVALISTES	FRB	France
LEYNAUD 41	FRB	France
LOCA-CORB	FRB	France
LOCAFLEX	FRB	France
LOCAGUET	FRB	France
LYONNAISE DE PRÉFABRICATION	FRB	France

Operation name	Type of business	Geographic location
MACE MONGE	FRB	France
MAISON DE LA DANSE	FRB	France
MAZARIK 24	FRB	France
Merico Delta Print	FRB	France
MGC	FRB	France
MOULIN DE PRESSENSÉ	FRB	France
NMP Gestion	FRB	France
NS ALTERNATIVE PERFORMANCE	FRB	France
Ozenne Institutionnel	FRB	France
P.N.S.	FRB	France
PCA IMMO	FRB	France
PG Développement	FRB	France
PG IMMO	FRB	France
PG Invest	FRB	France
POLYLOC	FRB	France
Prestimmo	FRB	France
Pyrénées Gascogne Altitude	FRB	France
Pyrénées Gascogne Gestion	FRB	France
RENE 35	FRB	France
Réunion Télécom	FRB	France
Run Cartes	FRB	France
SAINT CLAR (SNC)	FRB	France
SARL PAUL VERLAINE	FRB	France
SAS Brie Picardie Expansion	FRB	France
SAS CATP EXPANSION	FRB	France
SCI Campayrol	FRB	France
SCI SRA BELLEDONNE	FRB	France
SCI SRA CHARTREUSE	FRB	France
SCI SRA VERCORS	FRB	France
SCI Turenne Wilson	FRB	France
Scica HL	FRB	France
SILOS DE JONAGE	FRB	France
Société de Transactions Immobilières de Bourbon	FRB	France
SOCIÉTÉ D'ÉTUDES DE PARTICIPATIONS ET D'INVESTISSEMENT	FRB	France
SOLYMO	FRB	France
Square Habitat Gestion Sud Rhône-Alpes	FRB	France
Square Habitat Pays Basque	FRB	France
Square Habitat Sud Rhône-Alpes	FRB	France
STEPHANE	FRB	France
Sud Rhône-Alpes Placement	FRB	France
Toulouse 31 Court Terme	FRB	France
UNI-INVEST ANJOU MAINE	FRB	France
Val de France Rendement	FRB	France
Valeurs Monétiques	FRB	France
VIVIER TOULON	FRB	France
Arc Broker	FRB	Poland
Bankoa	FRB	Spain
BANKOA KARTERA SA	FRB	Spain
CREDIT AGRICOLE BANK	FRB	Ukraine
Crédit Agricole Bank Polska S.A.	FRB	Poland
Crédit Agricole Banka Srbija a.d. Novi Sad	FRB	Serbia
CREDIT AGRICOLE BANKOA GESTION	FRB	Spain
Crédit Agricole Carispezia S.p.A.	FRB	Italy
Crédit Agricole Egypt S.A.E.	FRB	Egypt

Operation name	Type of business	Geographic location
Crédit Agricole Friuladria S.p.A.	FRB	Italy
Crédit Agricole Group Solutions	FRB	Italy
Crédit Agricole Italia	FRB	Italy
Crédit Agricole Leasing Italia	FRB	Italy
Crédit Agricole next bank (Suisse) SA	FRB	Switzerland
Crédit Agricole Polska S.A.	FRB	Poland
Crédit Agricole Romania	FRB	Romania
Crédit Agricole Service sp z o.o.	FRB	Poland
Crédit du Maroc	FRB	Morocco
Lukas Finanse S.A.	FRB	Poland
SIFIM	FRB	Morocco
SWISS HOME LOAN	FRB	Switzerland
IUB Holding	FRB	France
AMUNDI	AG	France
AMUNDI (UK) Ltd	AG	United Kingdom
AMUNDI Asset Management	AG	France
AMUNDI ASSET MANAGEMENT AGENCIA EN CHILE	AG	Chile
AMUNDI ASSET MANAGEMENT BELGIUM	AG	Belgium
AMUNDI ASSET MANAGEMENT DUBAI (OFF SHORE) BRANCH	AG	United Arab Emirates
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	AG	Hong Kong
AMUNDI ASSET MANAGEMENT LONDON BRANCH	AG	United Kingdom
AMUNDI ASSET MANAGEMENT MEXICO BRANCH	AG	Mexico
AMUNDI ASSET MANAGEMENT NEDERLAND	AG	Netherlands
Amundi Asset Management S.A.I SA	AG	Romania
Amundi Austria GmbH	AG	Austria
Amundi Czech Republic Asset Management Bratislava Branch	AG	Slovakia
Amundi Czech Republic Asset Management Sofia Branch	AG	Bulgaria
Amundi Czech Republic Asset Management, A.S.	AG	Czech Republic
Amundi Czech Republic, Investicni Spolecnost, A.S.	AG	Czech Republic
Amundi Deutschland GmbH	AG	Germany
AMUNDI Finance	AG	France
AMUNDI Finance Emissions	AG	France
AMUNDI GLOBAL SERVICING	AG	Luxembourg
AMUNDI Hellas MFMC S.A.	AG	Greece
AMUNDI Hong Kong Ltd	AG	Hong Kong
AMUNDI Iberia S.G.I.I.C S.A.	AG	Spain
AMUNDI Immobilier	AG	France
AMUNDI India Holding	AG	France
AMUNDI Intermédiation	AG	France
Amundi Intermédiation Asia PTE Ltd	AG	Singapore
Amundi Intermédiation Dublin Branch	AG	Ireland
Amundi Intermédiation London Branch	AG	United Kingdom
Amundi Investment Fund Management Private Limited Company	AG	Hungary
Amundi Ireland Ltd	AG	Ireland
Amundi Ireland Ltd London Branch	AG	United Kingdom
Amundi Ireland Ltd Singapore Branch	AG	Singapore
AMUNDI Issuance	AG	France

Operation name	Type of business	Geographic location
AMUNDI Japan	AG	Japan
AMUNDI Japan Holding	AG	Japan
Amundi Luxembourg SA	AG	Luxembourg
AMUNDI Malaysia Sdn Bhd	AG	Malaysia
Amundi Pioneer Asset Management Inc.	AG	United States
Amundi Pioneer Asset Management USA Inc.	AG	United States
Amundi Pioneer Distributor Inc	AG	United States
Amundi Pioneer Institutional Asset Management Inc.	AG	United States
AMUNDI Polska	AG	Poland
AMUNDI Private Equity Funds	AG	France
AMUNDI Real Estate Italia SGR S.p.A.	AG	Italy
AMUNDI SGR S.p.A.	AG	Italy
AMUNDI Singapore Ltd	AG	Singapore
AMUNDI Suisse	AG	Switzerland
Amundi Taïwan Limited	AG	Taiwan
AMUNDI Tenue de Comptes	AG	France
AMUNDI USA Inc.	AG	United States
AMUNDI Ventures	AG	France
BFT Investment Managers	AG	France
CA Indosuez (Suisse) S.A. Hong Kong Branch	AG	Hong Kong
CA Indosuez (Suisse) S.A. Singapore Branch	AG	Singapore
CA Indosuez (Suisse) S.A. Switzerland Branch	AG	Switzerland
CA Indosuez (Switzerland) S.A.	AG	Switzerland
CA Indosuez Finanziaria S.A.	AG	Switzerland
CA Indosuez Gestion	AG	France
CA Indosuez Wealth (Europe)	AG	Luxembourg
CA Indosuez Wealth (Europe) Belgium Branch	AG	Belgium
CA Indosuez Wealth (Europe) Italy Branch	AG	Italy
CA Indosuez Wealth (Europe) Spain Branch	AG	Spain
CA Indosuez Wealth (France)	AG	France
CA Indosuez Wealth Italy S.P.A.	AG	Italy
CFM Indosuez Wealth	AG	Monaco
CPR AM	AG	France
Étoile Gestion	AG	France
KBI Fund Managers Limited	AG	Ireland
KBI Global Investors (North America) Limited	AG	Ireland
KBI Global Investors Limited	AG	Ireland
LCL Emissions	AG	France
Pioneer Global Investments (Taiwan) Ltd	AG	Taiwan
Pioneer Global Investments Ltd	AG	Ireland
Pioneer Global Investments Ltd Buenos Aires Branch	AG	Argentina
Pioneer Global Investments Ltd Jelling Branch	AG	Denmark
Pioneer Global Investments Ltd London Branch	AG	United Kingdom
Pioneer Global Investments Ltd Madrid Branch	AG	Spain
Pioneer Global Investments Ltd Mexico city Branch	AG	Mexico
Pioneer Global Investments Ltd Paris Branch	AG	France
Pioneer Global Investments Ltd Santiago Branch	AG	Chile
Société Générale Gestion (S2G)	AG	France
Vanderbilt Capital Advisors LLC	AG	United States

Operation name	Type of business	Geographic location
CA Indosuez Wealth (Brazil) S.A. DTVM	AG	Brazil
CA Indosuez Wealth (Group)	AG	France
CFM Indosuez Conseil en Investissement	AG	France
CFM Indosuez Conseil en Investissement, Succursale de Nouméa	AG	France
CFM Indosuez Gestion	AG	Monaco
ASSUR&ME	AG	France
CA Assicurazioni	AG	Italy
CACI DANNI	AG	Italy
CACI LIFE LIMITED	AG	Ireland
CACI NON LIFE LIMITED	AG	Ireland
CACI NON VIE	AG	France
CACI Reinsurance Ltd	AG	Ireland
CACI VIE	AG	France
CACI VITA	AG	Italy
CALIE Europe Succursale France	AG	France
CALIE Europe Succursale Pologne	AG	Poland
Crédit Agricole Assurances (CAA)	AG	France
Crédit Agricole Creditor Insurance (CACI)	AG	France
Crédit Agricole Life	AG	Greece
Crédit Agricole Life Insurance Company Japan Ltd	AG	Japan
Crédit Agricole Life Insurance Europe	AG	Luxembourg
Crédit Agricole Vita S.p.A.	AG	Italy
Finaref Risques Divers	AG	France
Finaref Vie	AG	France
GNB SEGUROS	AG	Portugal
Médicale de France	AG	France
Pacifica	AG	France
Predica	AG	France
Predica – Prévoyance Dialogue du Crédit Agricole	AG	Spain
Space Holding (Ireland) Limited	AG	Ireland
Space Lux	AG	Luxembourg
Spirica	AG	France
ACACIA	AG	France
ACAJOU	AG	France
AGRICOLE RIVAGE DETTE	AG	France
AM DESE FIII DS3IMDI	AG	France
AMUNDI GRD 24 FCP	AG	France
AMUNDI PE Solution Alpha	AG	France
APLEGROSENIEUHD	AG	Luxembourg
ARTEMID	AG	France
BFT CREDIT OPPORTUNITES -I-C	AG	France
BFT opportunité	AG	France
BFT VALUE PREM OP CD	AG	France
CA VITA INFRASTRUCTURE CHOICE FIPS c.I.A.	AG	France
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	AG	France
CA VITA PRIVATE EQUITY CHOICE	AG	France
CAA 2013 COMPARTIMENT 5 A5	AG	France
CAA 2013 FCPR B1	AG	France
CAA 2013 FCPR C1	AG	France
CAA 2013 FCPR D1	AG	France
CAA 2013-2	AG	France
CAA 2013-3	AG	France
CAA 2014 COMPARTIMENT 1 PART A1	AG	France

Operation name	Type of business	Geographic location
CAA 2014 INVESTISSMENT PART A3	AG	France
CAA 2015 COMPARTIMENT 1	AG	France
CAA 2015 COMPARTIMENT 2	AG	France
CAA 2016	AG	France
CAA INFRASTRUCTURE	AG	France
CAA INFRASTRUCTURE 2017	AG	France
CAA INFRASTRUCTURE 2018 – COMPARTIMENT 1	AG	France
CAA INFRASTRUCTURE 2019	AG	France
CAA PR FI II C1 A1	AG	France
CAA PRIV.FINANC.COMP.1 A1 FIC	AG	France
CAA PRIV.FINANC.COMP.2 A2 FIC	AG	France
CAA PRIVATE EQUITY 2017	AG	France
CAA PRIVATE EQUITY 2017 BIS	AG	France
CAA PRIVATE EQUITY 2017 FRANCE INVESTISSEMENT	AG	France
CAA PRIVATE EQUITY 2017 MEZZANINE	AG	France
CAA PRIVATE EQUITY 2017 TER	AG	France
CAA PRIVATE EQUITY 2018 – COMPARTIMENT 1	AG	France
CAA PRIVATE EQUITY 2018 – COMPARTIMENT FRANCE INVESTISSEMENT	AG	France
CAA PRIVATE EQUITY 2019 COMPARTIMENT 1	AG	France
CAA PRIVATE EQUITY 2019 COMPARTIMENT BIS	AG	France
CAA PRIVATE EQUITY 2019 COMPARTIMENT TER	AG	France
CAA SECONDAIRE IV	AG	France
CA-EDRAM OPPORTUNITES FCP 3DEC	AG	France
CAREPTA R 2016	AG	France
CEDAR	AG	France
Chorial Allocation	AG	France
CNP ACP 10 FCP	AG	France
CNP ACP OBLIG	AG	France
COMPARTIMENT DS3 – IMMOBILIER VAUGIRARD	AG	France
COMPARTIMENT DS3 – VAUGIRARD	AG	France
CORSAIR 1.52% 25/10/38	AG	Luxembourg
CORSAIR 1.5255% 25/04/35	AG	Ireland
CORSAIRE FINANCE IRELAND 0.83% 25-10-38	AG	Ireland
CORSAIRE FINANCE IRELAND 1.24% 25-10-38	AG	Ireland
CORSAIRE FINANCE IRELANDE 0.7% 25-10-38	AG	Ireland
EFFITHERMIE FPCI	AG	France
FCPR CAA 2013	AG	France
FCPR CAA COMP TER PART A3	AG	France
FCPR CAA COMPART BIS PART A2	AG	France
FCPR CAA COMPARTIMENT 1 PART A1	AG	France
FCPR CAA France Croissance 2 A	AG	France
FCPR PREDICA 2007 A	AG	France
FCPR PREDICA 2007 C2	AG	France
FCPR PREDICA 2008 A1	AG	France
FCPR PREDICA 2008 A2	AG	France
FCPR PREDICA 2008 A3	AG	France
FCPR PREDICA SECONDAIRE I A1	AG	France

Operation name	Type of business	Geographic location
FCPR PREDICA SECONDAIRE I A2	AG	France
FCPR PREDICA SECONDAIRES II A	AG	France
FCPR PREDICA SECONDAIRES II B	AG	France
FCPR Roosevelt Investissements	AG	France
FCPR UI CAP AGRO	AG	France
FCPR UI CAP SANTE A	AG	France
FCT BRIDGE 2016-1	AG	France
FCT CAA – Compartment 2017-1	AG	France
FCT CAREPTA – COMPARTIMENT 2014-1	AG	France
FCT CAREPTA – COMPARTIMENT 2014-2	AG	France
FCT CAREPTA – COMPARTIMENT RE-2016-1	AG	France
FCT CAREPTA – RE 2015 -1	AG	France
FCT CAREPTA 2-2016	AG	France
FCT MID CAP 2 05/12/22	AG	France
FDA 18 FCP 2 DEC	AG	France
FDC A3 P	AG	France
FEDERIS CORE EU CR 19 MM	AG	France
Federval	AG	France
FPCI Cogeneration France I	AG	France
FR0010671958 PREDIQUANT A5	AG	France
GRD 44	AG	France
GRD 44 N°3	AG	France
GRD 44 N2	AG	France
GRD 44 N4 PART CD	AG	France
GRD 44 N5	AG	France
GRD 54	AG	France
GRD02	AG	France
GRD03	AG	France
GRD05	AG	France
GRD07	AG	France
GRD08	AG	France
GRD09	AG	France
GRD10	AG	France
GRD11	AG	France
GRD12	AG	France
GRD13	AG	France
GRD14	AG	France
GRD17	AG	France
GRD18	AG	France
GRD19	AG	France
GRD20	AG	France
GRD21	AG	France
IAA CROISSANCE INTERNATIONALE	AG	France
LF PRE ZCP 12 99 LIB	AG	France
Londres Croissance C16	AG	France
LRP – CPT JANVIER 2013 0.30 13-21 11/01A	AG	Luxembourg
OBJECTIF LONG TERME FCP	AG	France
OPCI GHD SPPICAV PROFESSIONNELLE	AG	France
Peg – Portfolio Eonia Garanti	AG	France
Predica 2005 FCPR A	AG	France
Predica 2006 FCPR A	AG	France
Predica 2006-2007 FCPR	AG	France
PREDICA 2010 A1	AG	France
PREDICA 2010 A2	AG	France
PREDICA 2010 A3	AG	France

Operation name	Type of business	Geographic location
PREDICA SECONDAIRES III	AG	France
Predicant A1 FCP	AG	France
Predicant A2 FCP	AG	France
Predicant A3 FCP	AG	France
Prediquant Eurocroissance A2	AG	France
Prediquant opportunité	AG	France
PREDIQUANT PREMIUM	AG	France
PREMIUM GR 0% 28	AG	Ireland
PREMIUM GREEN 0.508% 25-10-38	AG	Ireland
PREMIUM GREEN 0.63% 25-10-38	AG	Ireland
PREMIUM GREEN 1.24% 25/04/35	AG	Ireland
PREMIUM GREEN 1.531% 25-04-35	AG	Ireland
PREMIUM GREEN 1.55% 25-07-40	AG	Ireland
PREMIUM GREEN 4.52% 06-21 EMTN	AG	Ireland
PREMIUM GREEN 4.54% 06-13.06.21	AG	Ireland
PREMIUM GREEN 4.5575% 21 EMTN	AG	Ireland
PREMIUM GREEN 4.56% 06-21	AG	Ireland
PREMIUM GREEN 4.7% EMTN 08/08/21	AG	Ireland
PREMIUM GREEN 4.72% 12-250927	AG	Ireland
PREMIUM GREEN PLC 1.095% 25-10-38	AG	Ireland
PREMIUM GREEN PLC 4.30% 2021	AG	Ireland
PREMIUM GREEN TV 06/22	AG	Ireland
PREMIUM GREEN TV 07/22	AG	Ireland
PREMIUM GREEN TV 07-22	AG	Ireland
PREMIUM GREEN TV 22	AG	Ireland
PREMIUM GREEN TV 26/07/22	AG	Ireland
PREMIUM GREEN TV2027	AG	Ireland
PREMIUM GREEN TV23/05/2022 EMTN	AG	Ireland
PREMIUM GREEN4.33% 06-29/10/21	AG	Ireland
PurpleProtAsset 1,36% 25/10/2038	AG	Luxembourg
PurpleProtAsset 1.093% 20/10/2038	AG	Luxembourg
RED CEDAR	AG	France
UI CAP SANTÉ 2	AG	France
A FD EQ E CON AE(C)	AG	Luxembourg
0057514 AUC	AG	Luxembourg
5922 AEURHC	AG	Luxembourg
78752 AEURHC	AG	Luxembourg
A FD EQ E FOC AE (C)	AG	Luxembourg
ACTICCIA VIE	AG	France
ACTICCIA VIE 3	AG	France
ACTICCIA VIE 90 C	AG	France
ACTICCIA VIE 90 N2	AG	France
ACTICCIA VIE 90 N3 C	AG	France
ACTICCIA VIE 90 N4	AG	France
ACTICCIA VIE 90 N6 C	AG	France
ACTICCIA VIE N2 C	AG	France
ACTICCIA VIE N4	AG	France
ACTIONS 50 3DEC	AG	France
AF BD GLO EM LOC CUR	AG	Luxembourg
AF EQUI.GLOB.AHE CAP	AG	Luxembourg
AF INDEX EQ JAPAN AE CAP	AG	Luxembourg
AF INDEX EQ USA A4E	AG	Luxembourg
AFCPRGLLIFEAEC	AG	Luxembourg
AIMSCIWOAE	AG	Luxembourg
AM AC FR ISR PC 3D	AG	France

Operation name	Type of business	Geographic location
AM FD II EUEQV AC	AG	Luxembourg
AM.AC.EU.ISR-P-3D	AG	France
AM.AC.MINER.-P-3D	AG	France
AM.AC.USA ISR P 3D	AG	France
AM.ACT.EMER.-P-3D	AG	France
AM.RDT PLUS -P-3D	AG	France
AMU-AB RET MS-EEUR	AG	Luxembourg
AMUN TRESO CT PC 3D	AG	France
AMUN.ACT.REST.P-C	AG	France
AMUN.TRES.EONIA ISR E FCP 3DEC	AG	France
AMUNDI AC.FONC.PC 3D	AG	France
AMUNDI ACTIONS FRANCE C 3DEC	AG	France
AMUNDI AFD AV DURABL P1 FCP 3DEC	AG	France
AMUNDI ALLOCATION C	AG	France
AMUNDI B GL AGG AEC	AG	Luxembourg
AMUNDI BGEB AEC	AG	Luxembourg
AMUNDI EQ E IN AHEC	AG	Luxembourg
AMUNDI GBL MACRO MULTI ASSET P	AG	France
AMUNDI GLB MUL-ASSET-M2EURC	AG	Luxembourg
AMUNDI GLO M/A CONS-M2 EUR C	AG	Luxembourg
AMUNDI HORIZON 3D	AG	France
AMUNDI KBI ACTION PC	AG	France
AMUNDI KBI ACTIONS C	AG	France
AMUNDI OBLIG EURO C	AG	France
AMUNDI PATRIMOINE C 3DEC	AG	France
AMUNDI PULSACTIONS	AG	France
AMUNDI SONANCE VIE 7 3DEC	AG	France
AMUNDI SONANCE VIE N8 3DEC	AG	France
AMUNDI TRANSM PAT C	AG	France
AMUNDI VALEURS DURAB	AG	France
AMUNDI-CSH IN-PC	AG	France
AMUNDI-EUR EQ GREEN IM-IEURC	AG	Luxembourg
AMUNDI-GL INFLAT BD-MEURC	AG	Luxembourg
AMUNDIOBLIGMONDEP	AG	France
AMUNDI-VOLATILITY WRLD-IUSDC	AG	Luxembourg
AMUNDI-VOLATILITY WRLD-OUSDC	AG	Luxembourg
ANTINEA FCP	AG	France
ARC FLEXIBOND-D	AG	France
ATOUT EUROPE C FCP 3DEC	AG	France
ATOUT FRANCE C FCP 3DEC	AG	France
ATOUT PREM S ACTIONS 3DEC	AG	France
ATOUT VERT HORIZON FCP 3 DEC	AG	France
AXA EUR.SM.CAP E 3D	AG	France
BA-FII EUR EQ O-GEUR	AG	Luxembourg
BFT FRAN FUT-C SI.3D	AG	France
BFT SEL RDT 23 PC	AG	France
BFT STATERE P (C)	AG	France
BNP PAR.CRED.ERSC	AG	France
CA MASTER EUROPE	AG	France
CA MASTER PATRIMOINE FCP 3DEC	AG	France
CADEISDA 2DEC	AG	France
CHORELIA N2 PART C	AG	France
CHORELIA N3 PART C	AG	Luxembourg
CHORELIA N4 PART C	AG	France
CHORELIA N5 PART C	AG	France

Operation name	Type of business	Geographic location
CHORELIA N6 PART C	AG	France
CHORELIA PART C	AG	France
CPR CONSO ACTIONNAIRE FCP P	AG	France
CPR CROIS.REA.-P	AG	France
CPR EUR.HI.DIV.P 3D	AG	France
CPR FOCUS INF.-P-3D	AG	France
CPR GLO SILVER AGE P	AG	France
CPR I-SM B C-AEURA	AG	Luxembourg
CPR OBLIG 12 M.P 3D	AG	France
CPR REF.ST.EP.R.0-100 FCP 3DEC	AG	France
CPR REFL RESP 0-100 I 3DEC	AG	France
CPR REFL.RESP.0-100 P FCP 3DEC	AG	France
CPR REFLEX STRATEDIS 0-100 P 3D	AG	France
CPR RENAI.JAP.-P-3D	AG	France
CPR SILVER AGE P 3DEC	AG	France
CPR-CLIM ACT-AEURA	AG	Luxembourg
CPRGLODISOPARAC	AG	Luxembourg
DNA 0% 21/12/20 EMTN	AG	Luxembourg
ECOFI MULTI OPPORTUN.FCP 3DEC	AG	France
EPARINTER EURO BD	AG	France
EXAN.PLEI.FD P	AG	France
EXANE 1 OVERDR CC	AG	Luxembourg
EXPAN.VIE 2 FCP 3D	AG	France
EXPANSIA VIE 3 FCP	AG	France
EXPANSIA VIE 4 FCP	AG	France
FE AMUNDI INC BLDR-IHE C	AG	Luxembourg
FONDS AV ECHUS FIA A	AG	France
FONDS AV ECHUS FIA B	AG	France
FRANKLIN DIVER-DYN-I ACC EU	AG	Luxembourg
FRANKLIN GLB MLT-AS IN-IAEUR	AG	Luxembourg
GRD CAR 39 FCP	AG	France
GRD FCR 99 FCP	AG	France
GRD IFC 97 FCP	AG	France
HASTINGS PATRIM AC	AG	France
HYMNOS P 3D	AG	France
IGSF-GBL GOLD FD-I C	AG	Luxembourg
IND.CAP EMERG.-C-3D	AG	France
INDO ALLOC MANDAT C	AG	France
INDO-FII EUR CP-IEUR	AG	Luxembourg
INDO-GBL TR-PE	AG	Luxembourg
INDOS.EURO.PAT.PD 3D	AG	France
INDOSUEZ ALLOCATION	AG	France
INDOSUEZ EURO DIV G	AG	Luxembourg
INDOSUEZ NAVIGATOR G	AG	Luxembourg
INDOSUEZSWZOPG	AG	Luxembourg
INVEST RESP S3 3D	AG	France
JPM US EQY ALL CAP-C HDG	AG	Luxembourg
JPM US SEL EQ PLS-CA EUR HD	AG	Luxembourg
JPMORGAN F-JPM US VALUE-CEHA	AG	Luxembourg
JPMORGAN F-US GROWTH-C AHD	AG	Luxembourg
LCF CREDIT ERSC 3D	AG	France
LCL 3 TEMPO AV 11/16	AG	France
LCL 6 HORIZ. AV 0615	AG	France
LCL AC.DEV.DU.EURO	AG	France
LCL AC.EMERGENTS 3D	AG	France
LCL AC.MDE HS EU.3D	AG	France
LCL ACT RES NATUREL	AG	France
LCL ACT.E-U ISR 3D	AG	France
LCL ACT.IMMOBI.3D	AG	France
LCL ACT.OR MONDE	AG	France
LCL ACT.USA ISR 3D	AG	France
LCL ACTIONS EURO C	AG	France
LCL ACTIONS EURO FUT	AG	France
LCL ACTIONS MONDE FCP 3 DEC	AG	France
LCL ALLOCATION DYNAMIQUE 3D FCP	AG	France
LCL AUTOCALL VIE 17	AG	France
LCL BDP MONET. A C	AG	France
LCL BDP MONETARISES	AG	France
LCL DEVELOPPEM.PME C	AG	France
LCL DOUBLE HORIZON A	AG	France
LCL DOUBLE HORIZON AV (NOV.2014)	AG	France
LCL FLEX 30	AG	France
LCL FO.SE.FR.AV(AV11) FCP 3DEC	AG	France
LCL FOR S F AV (FEV11) 3DEC	AG	France
LCL FOR SEC AV SEPT10 3DEC	AG	France
LCL INVEST.EQ C	AG	France
LCL INVEST.PRUD.3D	AG	France
LCL L.GR.B.AV 17 C	AG	France
LCL MGEST 60 3DEC	AG	France
LCL MGEST FL.0-100	AG	France
LCL OBL.CREDIT EURO	AG	France
LCL OPTIM II VIE 17	AG	France
LCL PREM VIE 2/4 C	AG	France
LCL PREMIUM VIE 2015	AG	France
LCL TRI ESC AV 0118	AG	France
LCL TRIPLE TE AV 0C	AG	France
LCL TRIPLE TEMPO AV (FEV.2015)	AG	France
LCL TRP HOZ AV 0117	AG	France
LCL VOCATION RENDEMENT NOV 12 3D	AG	France
M.D.F.89 FCP	AG	France
OBJECTIF DYNAMISME FCP	AG	France
OBJECTIF MEDIAN FCP	AG	France
OBJECTIF PRUDENCE FCP	AG	France
OPCIMMO LCL SPPICAV 5DEC	AG	France
OPCIMMO PREM SPPICAV 5DEC	AG	France
OPTALIME FCP 3DEC	AG	France
PORT.METAUX PREC.A-C	AG	France
PORTF DET FI EUR AC	AG	France
RAVIE FCP 5DEC	AG	France
RETAH PART C	AG	France
RSD 2006 FCP 3DEC	AG	France
SCI VICQ D'AZIR VELLEFAUX	AG	France
SCPI LFP MULTIMMO	AG	France
SOLIDARITE AMUNDI P	AG	France
SOLIDARITE INITIATIS SANTE	AG	France
SONANCE VIE 2 FCP 3DEC	AG	France
SONANCE VIE 3 3DEC	AG	France
SONANCE VIE 3DEC	AG	France
SONANCE VIE 4 FCP	AG	France
SONANCE VIE 5 FCP 3DEC	AG	France

Operation name	Type of business	Geographic location
SONANCE VIE 6 FCP	AG	France
SONANCE VIE 9	AG	France
TRIAN 6 ANS N10 C	AG	France
TRIANANCE 6 ANS	AG	France
TRIANANCE 6 ANS 5 C	AG	France
TRIANANCE 6 ANS N 4	AG	France
TRIANANCE 6 ANS N 9	AG	France
TRIANANCE 6 ANS N2 C	AG	France
TRIANANCE 6 ANS N3	AG	France
TRIANANCE 6 ANS N6	AG	France
TRIANANCE 6 ANS N7 C	AG	France
TRIANANCE 6 ANS N8 C	AG	France
UNIPIERRE ASSURANCE (SCPI)	AG	France
VENDOME INV.FCP 3DEC	AG	France
Nexus 1	AG	Italy
OPCI Camp Invest	AG	France
OPCI ECO CAMPUS SPPICAV	AG	France
OPCI Immanens	AG	France
OPCI Immo Emissions	AG	France
OPCI Iris Invest 2010	AG	France
OPCI MASSY BUREAUX	AG	France
OPCI Messidor	AG	France
Predica OPCI Bureau	AG	France
Predica OPCI Commerces	AG	France
Predica OPCI Habitation	AG	France
B IMMOBILIER	AG	France
DS Campus	AG	France
FREY RETAIL VILLEBON	AG	France
HDP BUREAUX	AG	France
HDP HOTEL	AG	France
HDP LA HALLE BOCA	AG	France
IMEFA 177	AG	France
IMEFA 178	AG	France
IMEFA 179	AG	France
Issy Pont	AG	France
RUE DU BAC (SCI)	AG	France
SCI 1 TERRASSE BELLINI	AG	France
SCI BMEDIC HABITATION	AG	France
SCI CAMPUS MEDICIS SAINT-DENIS	AG	France
SCI CAMPUS RIMBAUD SAINT-DENIS	AG	France
SCI CARGO PROPERTY HOLDING	AG	France
SCI CARPE DIEM	AG	France
SCI EUROMARSEILLE 1	AG	France
SCI EUROMARSEILLE 2	AG	France
SCI FÉDÉRALE PÉREIRE VICTOIRE	AG	France
SCI FÉDÉRALE VILLIERS	AG	France
SCI FEDERLOG	AG	France
SCI FEDERLONDRES	AG	France
SCI FEDERPIERRE	AG	France
SCI FONDIS	AG	France
SCI GRENIER VELLEF	AG	France
SCI HEART OF LA DÉFENSE	AG	France
SCI Holding Dahlia	AG	France
SCI ILOT 13	AG	France
SCI IMEFA 001	AG	France

Operation name	Type of business	Geographic location
SCI IMEFA 002	AG	France
SCI IMEFA 003	AG	France
SCI IMEFA 004	AG	France
SCI IMEFA 005	AG	France
SCI IMEFA 006	AG	France
SCI IMEFA 008	AG	France
SCI IMEFA 009	AG	France
SCI IMEFA 010	AG	France
SCI IMEFA 011	AG	France
SCI IMEFA 012	AG	France
SCI IMEFA 013	AG	France
SCI IMEFA 016	AG	France
SCI IMEFA 017	AG	France
SCI IMEFA 018	AG	France
SCI IMEFA 020	AG	France
SCI IMEFA 022	AG	France
SCI IMEFA 025	AG	France
SCI IMEFA 032	AG	France
SCI IMEFA 033	AG	France
SCI IMEFA 034	AG	France
SCI IMEFA 035	AG	France
SCI IMEFA 036	AG	France
SCI IMEFA 037	AG	France
SCI IMEFA 038	AG	France
SCI IMEFA 039	AG	France
SCI IMEFA 042	AG	France
SCI IMEFA 043	AG	France
SCI IMEFA 044	AG	France
SCI IMEFA 047	AG	France
SCI IMEFA 048	AG	France
SCI IMEFA 051	AG	France
SCI IMEFA 052	AG	France
SCI IMEFA 054	AG	France
SCI IMEFA 057	AG	France
SCI IMEFA 058	AG	France
SCI IMEFA 060	AG	France
SCI IMEFA 061	AG	France
SCI IMEFA 062	AG	France
SCI IMEFA 063	AG	France
SCI IMEFA 064	AG	France
SCI IMEFA 067	AG	France
SCI IMEFA 068	AG	France
SCI IMEFA 069	AG	France
SCI IMEFA 072	AG	France
SCI IMEFA 073	AG	France
SCI IMEFA 074	AG	France
SCI IMEFA 076	AG	France
SCI IMEFA 077	AG	France
SCI IMEFA 078	AG	France
SCI IMEFA 079	AG	France
SCI IMEFA 080	AG	France
SCI IMEFA 081	AG	France
SCI IMEFA 082	AG	France
SCI IMEFA 083	AG	France
SCI IMEFA 084	AG	France

Operation name	Type of business	Geographic location
SCI IMEFA 085	AG	France
SCI IMEFA 089	AG	France
SCI IMEFA 091	AG	France
SCI IMEFA 092	AG	France
SCI IMEFA 096	AG	France
SCI IMEFA 100	AG	France
SCI IMEFA 101	AG	France
SCI IMEFA 102	AG	France
SCI IMEFA 103	AG	France
SCI IMEFA 104	AG	France
SCI IMEFA 105	AG	France
SCI IMEFA 107	AG	France
SCI IMEFA 108	AG	France
SCI IMEFA 109	AG	France
SCI IMEFA 110	AG	France
SCI IMEFA 112	AG	France
SCI IMEFA 113	AG	France
SCI IMEFA 115	AG	France
SCI IMEFA 116	AG	France
SCI IMEFA 117	AG	France
SCI IMEFA 118	AG	France
SCI IMEFA 120	AG	France
SCI IMEFA 121	AG	France
SCI IMEFA 122	AG	France
SCI IMEFA 123	AG	France
SCI IMEFA 126	AG	France
SCI IMEFA 128	AG	France
SCI IMEFA 129	AG	France
SCI IMEFA 131	AG	France
SCI IMEFA 132	AG	France
SCI IMEFA 140	AG	France
SCI IMEFA 148	AG	France
SCI IMEFA 149	AG	France
SCI IMEFA 150	AG	France
SCI IMEFA 155	AG	France
SCI IMEFA 156	AG	France
SCI IMEFA 157	AG	France
SCI IMEFA 158	AG	France
SCI IMEFA 159	AG	France
SCI IMEFA 164	AG	France
SCI IMEFA 169	AG	France
SCI IMEFA 170	AG	France
SCI IMEFA 171	AG	France
SCI IMEFA 172	AG	France
SCI IMEFA 173	AG	France
SCI IMEFA 174	AG	France
SCI IMEFA 175	AG	France
SCI IMEFA 176	AG	France
SCI LE VILLAGE VICTOR HUGO	AG	France
SCI MEDI BUREAUX	AG	France
SCI PACIFICA HUGO	AG	France
SCI PORTE DES LILAS – FRÈRES FLAVIEN	AG	France
SCI VALHUBERT	AG	France
SCI VAUGIRARD 36-44	AG	France
SCI WAGRAM 22/30	AG	France

Operation name	Type of business	Geographic location
SCI WASHINGTON	AG	France
TOUR MERLE (SCI)	AG	France
ALTA VAI HOLDCO P	AG	France
ALTAREA	AG	France
AMUNDI IT Services	AG	France
ARCAPARK SAS	AG	France
Azqore	AG	Switzerland
Azqore SA Singapore Branch	AG	Singapore
CA Indosuez Wealth (Asset Management)	AG	Luxembourg
Crédit Agricole Assurances Solutions	AG	France
EUROPEAN MOTORWAY INVESTMENTS 1	AG	Luxembourg
FONCIÈRE HYPERSUD	AG	France
FREY	AG	France
HOLDING EUROMARSEILLE	AG	France
Icade	AG	France
INFRA FOCH TOPCO	AG	France
IRIS HOLDING FRANCE	AG	France
KORIAN	AG	France
PATRIMOINE ET COMMERCE	AG	France
PREDICA ENERGIES DURABLES	AG	France
PREDICA INFRASTRUCTURE SA	AG	Luxembourg
PREDIPARK	AG	France
RAMSAY – GÉNÉRALE DE SANTÉ	AG	France
SA RESICO	AG	France
SAS CRISTAL	AG	France
SAS PARHOLDING	AG	France
SAS PREDI-RUNGIS	AG	France
SH PREDICA ÉNERGIES DURABLES SAS	AG	France
VAUGIRARD AUTOVIA SLU	AG	Spain
Vaugirard Infra S.L.	AG	Spain
Via Vita	AG	France
Agos	SFS	Italy
Alsolia	SFS	France
Crealfi	SFS	France
Credibom	SFS	Portugal
Crediet Maatschappij "De Ijssel" B.V.	SFS	Netherlands
Crédit Agricole Consumer Finance	SFS	France
Crédit Agricole Consumer Finance Nederland	SFS	Netherlands
Crédit LIFT	SFS	France
Creditplus Bank AG	SFS	Germany
De Kredietdesk B.V.	SFS	Netherlands
DE NEDERLANDSE VOORSCHOTBANK BV	SFS	Netherlands
EFL Services	SFS	Poland
EUROFACTOR GmbH	SFS	Germany
Eurofactor Italia S.p.A.	SFS	Italy
EUROFACTOR NEDERLAND	SFS	Netherlands
EUROFACTOR POLSKA S.A.	SFS	Poland
Eurofactor SA – NV (Benelux)	SFS	Belgium
Eurofactor S.A. (Portugal)	SFS	Portugal
Eurofintus Financieringen B.V.	SFS	Netherlands
Finaref Assurances S.A.S.	SFS	France
Finata Zuid-Nederland B.V.	SFS	Netherlands
GSA Ltd	SFS	Mauritius
IDM Finance B.V.	SFS	Netherlands
IDM Financieringen B.V.	SFS	Netherlands

Operation name	Type of business	Geographic location
IDM lease maatschappij B.V.	SFS	Netherlands
Iebe Lease B.V.	SFS	Netherlands
INTERBANK NV	SFS	Netherlands
INTERMEDIAIRE VOORSCHOTBANK BV	SFS	Netherlands
Krediet '78 B.V.	SFS	Netherlands
Mahuko Financieringen B.V.	SFS	Netherlands
Money Care B.V.	SFS	Netherlands
NL Findio B.V	SFS	Netherlands
RIBANK NV	SFS	Netherlands
Sofinco Participations	SFS	France
Société Européenne de Développement d'Assurances	SFS	France
Société Européenne de Développement d'Assurances, Succursale du Maroc	SFS	Morocco
Société Européenne de Développement du Financement	SFS	France
VoordeelBank B.V.	SFS	Netherlands
Auxifip	SFS	France
Carefleet S.A.	SFS	Poland
Crédit Agricole Leasing & Factoring	SFS	France
Crédit Agricole Leasing & Factoring, Sucursal en Espana	SFS	Spain
Crédit du Maroc Leasing et Factoring	SFS	Morocco
Europejski Fundusz Leasingowy (E.F.L.)	SFS	Poland
Finamur	SFS	France
Lixxbail	SFS	France
Lixxcourtage	SFS	France
Lixxcredit	SFS	France
Unifergie	SFS	France
ARES Reinsurance Ltd	SFS	Ireland
EFL Finance S.A.	SFS	Poland
EFL Lease Abs 2017-1 Designated Activity Company	SFS	Ireland
FCT GINGKO DEBT CONSO 2015-1	SFS	France
FCT GINGKO PERSONAL LOANS 2016-1	SFS	France
FCT GINGKO PLOANS 2015-1	SFS	France
FCT GINGKO SALES FIN 2014-1	SFS	France
FCT GINGKO SALES FINANCE 2015-1	SFS	France
FCT GINKGO MASTER REVOLVING LOANS	SFS	France
FCT GINKGO SALES FINANCE 2017-1	SFS	France
MAGOI BV	SFS	Netherlands
MATSUBA BV	SFS	Netherlands
OCHIBA 2015 B.V	SFS	Netherlands
RETAIL CONSUMER CP GERMANY 2016 UG	SFS	Germany
SUNRISE SPV 20 SRL	SFS	Italy
SUNRISE SPV 30 SRL	SFS	Italy
SUNRISE SPV 40 SRL	SFS	Italy
SUNRISE SPV 50 SRL	SFS	Italy
SUNRISE SPV Z60 SRL	SFS	Italy
SUNRISE SPV Z70 SRL	SFS	Italy
SUNRISE SPV Z80 SRL	SFS	Italy
SUNRISE SRL	SFS	Italy
THETIS FINANCE 2015-1	SFS	Portugal
Banco Crédit Agricole Brasil S.A.	LC	Brazil
CACEIS Bank	LC	France
CACEIS Bank S.A., Germany Branch	LC	Germany

Operation name	Type of business	Geographic location
CACEIS Bank, Belgium Branch	LC	Belgium
CACEIS Bank, Ireland Branch	LC	Ireland
CACEIS Bank, Italy Branch	LC	Italy
CACEIS Bank, Luxembourg Branch	LC	Luxembourg
CACEIS Bank, Netherlands Branch	LC	Netherlands
CACEIS Bank, Switzerland Branch	LC	Switzerland
CACEIS Bank, UK Branch	LC	United Kingdom
CACEIS Belgium	LC	Belgium
CACEIS Corporate Trust	LC	France
CACEIS Fund Administration	LC	France
CACEIS Ireland Limited	LC	Ireland
CACEIS S.A.	LC	France
CACEIS Switzerland S.A.	LC	Switzerland
Crédit Agricole CIB (Belgique)	LC	Belgium
Crédit Agricole CIB (ABU DHABI)	LC	United Arab Emirates
Crédit Agricole CIB (Allemagne)	LC	Germany
Crédit Agricole CIB (Canada)	LC	Canada
Crédit Agricole CIB (Corée du Sud)	LC	South Korea
Crédit Agricole CIB (Dubai DIFC)	LC	United Arab Emirates
Crédit Agricole CIB (Dubai)	LC	United Arab Emirates
Crédit Agricole CIB (Espagne)	LC	Spain
Crédit Agricole CIB (États-Unis)	LC	United States
Crédit Agricole CIB (Finlande)	LC	Finland
Crédit Agricole CIB (Hong-Kong)	LC	Hong Kong
Crédit Agricole CIB (Inde)	LC	India
Crédit Agricole CIB (Italie)	LC	Italy
Crédit Agricole CIB (Japon)	LC	Japan
Crédit Agricole CIB (Luxembourg)	LC	Luxembourg
Crédit Agricole CIB (Miami)	LC	United States
Crédit Agricole CIB (Royaume-Uni)	LC	United Kingdom
Crédit Agricole CIB (Singapour)	LC	Singapore
Crédit Agricole CIB (Suède)	LC	Sweden
Crédit Agricole CIB (Taipei)	LC	Taiwan
Crédit Agricole CIB Algérie Bank Spa	LC	Algeria
Crédit Agricole CIB AO	LC	Russia
Crédit Agricole CIB Australia Ltd	LC	Australia
Crédit Agricole CIB China Ltd	LC	China
Crédit Agricole CIB China Ltd Chinese Branch	LC	China
Crédit Agricole CIB S.A.	LC	France
Crédit Agricole CIB Services Private Ltd	LC	India
Ester Finance Titrisation	LC	France
KAS Bank N.V.	LC	Netherlands
KAS Bank N.V. Frankfurt branch	LC	Germany
KAS Bank N.V. London branch	LC	United Kingdom
KAS Trust & Depositary Services B.V. Amsterdam	LC	Netherlands
Santander Fund Administration, S.A.	LC	Spain
Santander Securities Services, S.A.	LC	Spain
Crédit Agricole Securities (Asia) Limited Hong Kong	LC	Hong Kong
Crédit Agricole Securities (Asia) Limited Seoul Branch	LC	South Korea
Crédit Agricole Securities (USA) Inc	LC	United States

Operation name	Type of business	Geographic location
Crédit Agricole Securities Asia BV (Tokyo)	LC	Japan
Compagnie Française de l'Asie (CFA)	LC	France
Crédit Agricole CIB Air Finance S.A.	LC	France
Crédit Agricole CIB Holdings Ltd	LC	United Kingdom
Crédit Agricole Global Partners Inc.	LC	United States
Crédit Agricole Securities Asia BV	LC	Netherlands
Doumer Finance S.A.S.	LC	France
Fininvest	LC	France
Fletirec	LC	France
I.P.F.O.	LC	France
CAIRS Assurance S.A.	LC	France
Atlantic Asset Securitization LLC	LC	United States
Benelpart	LC	Belgium
Calixis Finance	LC	France
Calliope SRL	LC	Italy
Clifap	LC	France
Crédit Agricole America Services Inc.	LC	United States
Crédit Agricole Asia Shipfinance Ltd	LC	Hong Kong
Crédit Agricole CIB Finance (Guernsey) Ltd	LC	Guernsey
Crédit Agricole CIB Finance Luxembourg S.A.	LC	Luxembourg
Crédit Agricole CIB Financial Prod. (Guernesey) Ltd	LC	Guernsey
Crédit Agricole CIB Financial Solutions	LC	France
Crédit Agricole CIB Global Banking	LC	France
Crédit Agricole CIB Pension Limited Partnership	LC	United Kingdom
Crédit Agricole CIB Transactions	LC	France
Crédit Agricole Leasing (USA) Corp.	LC	United States
DGAD International SARL	LC	Luxembourg
ESNI (compartiment Crédit Agricole CIB)	LC	France
Eucalyptus FCT	LC	France
FCT CFN DIH	LC	France
FIC-FIDC	LC	Brazil
Financière des Scarabées	LC	Belgium
Financière Lumis	LC	France
Fundo A De Investimento Multimercado	LC	Brazil
Héphaïstos EUR FCC	LC	France
Héphaïstos GBP FCT	LC	France
Héphaïstos Multidevises FCT	LC	France
Héphaïstos USD FCT	LC	France
Indosuez Holding SCA II	LC	Luxembourg
Indosuez Management Luxembourg II	LC	Luxembourg
Investor Service House S.A.	LC	Luxembourg
Island Refinancing SRL	LC	Italy
ItalAsset Finance SRL	LC	Italy
La Fayette Asset Securitization LLC	LC	United States
La Route Avance	LC	France
Lafina	LC	Belgium
LMA SA	LC	France
Merisma	LC	France
Molinier Finances	LC	France
Pacific EUR FCC	LC	France
Pacific IT FCT	LC	France
Pacific USD FCT	LC	France
Partinvest S.A.	LC	Luxembourg
Placements et Réalisations Immobilières (SNC)	LC	France

Operation name	Type of business	Geographic location
Sagrantino Italy SRL	LC	Italy
Shark FCC	LC	France
Sinefinair B.V.	LC	Netherlands
SNGI	LC	France
SNGI Belgium	LC	Belgium
Sococlabecq	LC	Belgium
Sofipac	LC	Belgium
Sufinair B.V.	LC	Netherlands
TCB	LC	France
Triple P FCC	LC	France
TSUBAKI OFF (FCT)	LC	France
TSUBAKI ON (FCT)	LC	France
Vulcain EUR FCT	LC	France
Vulcain Multi-Devises FCT	LC	France
Vulcain USD FCT	LC	France
Crédit Agricole S.A.	CC	France
Succursale Crédit Agricole SA	CC	United Kingdom
Caisse régionale de Crédit Agricole mutuel de la Corse	CC	France
CL Développement de la Corse	CC	France
Crédit Agricole Home Loan SFH	CC	France
Foncaris	CC	France
Radian	CC	France
Crédit Agricole Capital Investissement et Finance (CACIF)	CC	France
Delfinances	CC	France
S.A.S. La Boetie	CC	France
Sacam Assurances Cautions	CC	France
Sacam Developpement	CC	France
Sacam Fireca	CC	France
Sacam Immobilier	CC	France
Sacam International	CC	France
Sacam Mutualisation	CC	France
Sacam Participations	CC	France
Sodica	CC	France
Amundi CA 08/10/2019	CC	France
AMUNDI CA 15/01/2020	CC	France
BFT LCR	CC	France
BFT LCR ACTIONS BETA NEUTRE	CC	France
BFT LCR NIVEAU 2	CC	France
CA Grands Crus	CC	France
Cariou Holding	CC	France
CPR EuroGov LCR	CC	France
Crédit Agricole – Group Infrastructure Platform	CC	France
Crédit Agricole Agriculture	CC	France
Crédit Agricole Immobilier	CC	France
Crédit Agricole Payment Services	CC	France
Crédit Agricole Public Sector SCF	CC	France
Crédit Agricole Régions Développement	CC	France
Crédit Agricole Technologies et Services	CC	France
DELTA	CC	France
ESNI (compartiment Crédit Agricole S.A.)	CC	France
FCT Crédit Agricole Habitat 2015 Compartiment Corse	CC	France

Operation name	Type of business	Geographic location
FCT Crédit Agricole Habitat 2017 Compartiment Corse	CC	France
FCT Crédit Agricole Habitat 2018 Compartiment Corse	CC	France
FCT Crédit Agricole Habitat 2019 Compartiment Corse	CC	France
FIRECA	CC	France
Grands Crus Investissements (GCI)	CC	France
IDIA	CC	France
IDIA DÉVELOPPEMENT	CC	France
IDIA PARTICIPATIONS	CC	France
Paymed	CC	France
PORTFOLIO LCR CREDIT	CC	France
PORTFOLIO LCR GOV	CC	France
PORTFOLIO LCR GOV 4A	CC	France
S.A.S. Evergreen Montrouge	CC	France
S.A.S. Sacam Avenir	CC	France
Santeffi	CC	France
SCI D2 CAM	CC	France
SCI Quentyvel	CC	France
SILCA	CC	France
SNC Kalliste Assur	CC	France
Société d'Epargne Foncière Agricole (SEFA)	CC	France
Uni-medias	CC	France
Crédit Agricole Immobilier Promotion	CC	France
Crédit Agricole Immobilier Services	CC	France
SO.GI.CO	CC	France

FRB: French retail banking.

AG: Asset gathering.

IRB: International retail banking.

SFS: Specialised financial services.

LC: Large customers.

CC: Corporate centre.

TRANSACTIONS WITH RELATED PARTIES

The main transactions entered into with related parties are disclosed in the consolidated financial statements as at 31 December 2019 in the "General framework – Related parties" section.

In addition, in accordance with paragraph 13 of article L. 225-102-1 of the French Commercial Code, please note that no agreements were entered into, directly or through intermediaries, between, (i) on the one hand, the Chief Executive Officer, any one of the Deputy Chief Executive Officers or Directors or shareholders of Crédit Agricole S.A. with more than 10% of the voting rights, and (ii) on the other, another company in which Crédit Agricole S.A. has, directly or indirectly, more than a 50% capital interest unless, where appropriate, these agreements relate to ordinary arm's length transactions.

MATERIAL CHANGES

The financial statements for financial year 2019 were examined by the Board of Directors at its meeting of 13 February 2020. Since that date, there have been no material changes in the financial position or business operations of Crédit Agricole Group, except the Covid-19 epidemic that will have significant negative impacts on the world economy. Crédit Agricole Group, which announced support measures for its corporate and individual customers during the crisis, expects impacts on its revenues, its result and its equity.

RECENT TRENDS AND OUTLOOK

The paragraphs dedicated to the economic outlook have been updated after 2019 year end closing released on 13 February 2020, so as to integrate the recent evolutions related to the Covid-19 virus.

With the exception of paragraph 4. a) of the risk factors mentioning the Covid-19 epidemic, there has been no significant change affecting the financial position of Crédit Agricole Group between the date of closing of the 2019 financial statements and the publication of this document.

Even before the outbreak of coronavirus, the climate of anxiety and productive investment that was already in decline were contributing to reduced growth, although there was no indication that a fall was imminent

As a result of the signature of the so-called "phase 1" agreement, the Sino-American trade conflict no longer seemed destined to escalate in the near future. While it did offer hope for a truce in the tariff war, it did not immunise against a shift in tensions onto other sensitive issues and did not presume a lasting peace in Sino-American relations. In fact, the agreement between the United States and China covers many subjects: trade in goods, particularly agricultural and food products[(1)], intellectual property, technology transfers, financial services, an end to exchange rate "manipulation", and a forum for resolving conflicts. While ambitious (the additional imports to which China has committed itself are substantial), this agreement does not address the thorny issues of Chinese subsidies and, more broadly, Chinese state-sponsored capitalism.

In addition, the risk of a "Brexit without a trade agreement" threatened to replace the risk of a "no-deal Brexit". Following the United Kingdom's exit from the European Union on 31 January, the British would like to see the details of their future partnership with the European Union (including a free trade agreement) defined by the end of the year 2020. Subjecting the negotiations to such an ambitious timetable will generate doubts about the quality of the future relationship.

Therefore, although there was the possibility for political and geopolitical tensions and uncertainty to ease temporarily, they were unlikely to disappear permanently and were likely to weigh on investment behaviour

Some initial signs seemed to indicate that the decline in the manufacturing sector (based in particular on an improvement in the automotive sector) and in world trade may have bottomed out. The services sector continued to expand as a result of strong consumer spending, boosted by continued sustained growth in wages. Finally, while productive investment had demonstrated resilience, it was showing signs of slow deceleration: deceleration based on uncertainty about future demand, stemming from concerns about global trade, rather than from a typical degeneration of the cycle. After several years of low investment, companies in the Eurozone, in particular, were preparing to face the slowdown without excess capacity, as evidenced by a capacity utilisation rate that was in decline, yet still remained high. Companies appeared cautious, not responding to the erosion of their margins either by abruptly halting their capital spending or by drastically reducing employment.

Without being able to rely on productive investment or global trade, which is more sensitive to growth in investment than growth in consumption, sustained growth depended on households. The labour market continued to adjust to varying speeds and the decline in job creation was not yet reflected in a significant rise in the unemployment rate. There was an expectation that consumption would also be boosted by the slight increase in wages and purchasing power gains sustained by inflation that was still very moderate. While household consumption provided hopes of a slowdown rather than a collapse in growth, there was nevertheless a fine balance between employment, wages and corporate margins.

This relatively encouraging observation had been made before the coronavirus epidemic began to spread beyond China

The epidemic, its impact on Chinese growth (a drop in domestic demand) and global growth (a decline in Chinese demand, tourist flows, disruption of value chains) and its geographical spread imply a significant downward revision of growth forecasts. Given the spread of the epidemic, its consequences become even more difficult to assess and result in a series of firm assumptions, including the one formulated upstream of our central scenario: that the spread of the epidemic will be contained in the second quarter. Given the uncertainties surrounding the development of the epidemic as well as measures to limit the spread of infection, this central scenario is accompanied by a downside risk.

Assuming that China has passed the peak of the epidemic (the number of new cases, which has already fallen sharply both within and outside Hubei, is not expected to settle into a sustainable upward trend), growth is expected to undergo a very violent downturn in the first quarter, then a slow recovery followed by a substantial rebound. At the expense of their aim to reduce domestic debt, the Chinese authorities have both the will and the means to stimulate a revival in economic activity (reducing interest rates and bond reserves, significantly increasing bank credit, infrastructure expenditure, etc.). By implementing aggressive and purportedly effective budgetary and monetary support, the rebound in growth for the second half of the year would enable it to achieve an annual average of around 5.3%.

Our scenario assumed a reduction in US growth of around 1.6%: a downturn that is already being felt, driven by the already well-established decline in investment and the lack of public spending support. Even though the epidemic is not yet compelling the United States to "go slow", the impact of the coronavirus leads to the prospect that growth may not exceed 1.3%. In the Eurozone, although confidence indicators have recovered, suggesting sustained activity in services and construction while the industrial sector appeared to be wavering, the epidemic is expected to slash our already conservative growth forecast of 1% by almost seven tenths of a percentage point. The "China effect" alone (*via* exports and disruption to supply chains) results in a growth reduction of around 0.2 points. However, the impact of the epidemic now affecting Europe (shutdown and/or slowdown of activity, reduced consumption, of services in particular, and a wait-and-see attitude) is generating additional losses that are estimated at between 0.5 and 1 points of growth, varying by country. At this stage, there is nothing to suggest a combined European budgetary response. The risk is that responses will remain essentially national, being limited in the countries under pressure (France, Italy, Spain, Portugal), and more generous in Germany and the Netherlands.

While the depressive impact of the coronavirus epidemic on business activity is primarily caused by falling demand, underlying inflation is expected to remain low. It is expected to be 1.7% in the United States and 1.2% in the Eurozone on an average annual basis. The decline in Chinese demand has already strongly contributed to a fall in commodity prices, including the price of oil: at $40 per barrel, the price of Brent has already fallen by almost 40% since the beginning of the year. Despite expectations of an upturn in activity in the second half of 2020 (particularly industrial activity in China), oil prices were already at risk of being impacted by excessive supply. Given

(1) The United States has decided to waive an additional tax (mainly on consumer goods) and to halve the 15% tariff imposed in September on $120 billion in imports from China. The rest of the duties already in place (25% on $250 billion) will not decrease. Approximately 65% of US imports from China are still taxed. As a reminder, in 2018, US imports of Chinese goods and services totalled $540 billion and $18 billion, respectively. China, for its part, has committed to import an additional $200 billion in goods and services from the United States in 2020-2021, compared with 2017 when US exports of goods and services to China were $190 billion.

the crisis between Russia and Saudi Arabia and the unexpected end of the OPEC+ agreement aimed at reducing production, there is an obvious risk of long-term low prices. Overall inflation could therefore remain well below the central banks' inflation targets in the US and especially in Europe.

Even before the coronavirus epidemic broke out, the major central banks, undertaking strategic reviews of their own respective policies, were still tempted by monetary easing, which is crucial

Given the specific economic consequences of the coronavirus epidemic (including a fall in demand associated with containment measures and reduced transnational mobility, difficulties with supplies and cash flow), the purpose of monetary easing may not be to stimulate economic activity so much as to appease the financial markets and limit self-fulfilling phenomena. Since the beginning of the year, a strong trend towards risk aversion has contributed to a decline in risk-free rates (over two months, US and German 10-year sovereign yields have fallen by 120 basis points to 0.70% and 55 basis points to -0.70%, respectively). The main equity markets recorded sharp falls (around 14% for the Eurostoxx 50 and the CAC 40).

In an attempt to curb risk aversion, the Federal Reserve acted with urgency, announcing a surprise reduction of 50 basis points in the Fed Funds rate (target rate of 1-1.25%). This is the first inter-meeting decision the Federal Reserve has taken since the 50-basis-point reduction in October 2008. This proactive, precautionary course of action did not succeed in curbing the concerns of the markets. Our scenario assumes the Federal Reserve will provide additional easing of a further 50 basis points (split into two reductions of 25 basis points each). Although there is still room for manoeuvre, it could even make the first reduction as early as March, if financial terms continue to tighten. The ECB, on the other hand, has limited room for manoeuvre. Even before growth prospects deteriorated so rapidly, our scenario included a potential drop in the deposit rate of 10 basis points, an extension of quantitative easing, an increase in the holding limit from 33% to 50%, and the continuation of forward guidance. This arrangement may be supplemented by an increase in the proportion of corporate securities purchased under the Corporate Sector Purchase Programme as part of the quantitative easing measures, and the granting of Targeted Longer-Term Refinancing Operations (TLTROs) on more favourable terms in order to encourage banks to lend and, in particular, to support SMEs.

Once again, everything is contributing to keeping core long-term rates extremely low: risk aversion, unprecedented uncertainty and lack of visibility, strong economic slowdowns accompanied by downside risks, and pain-free rates of inflation

Our scenario includes long-term (10-year) sovereign rates, which, having reached their troughs before the summer, are expected to recover timidly, reaching 1.25% and -0.55% in December 2020 for the United States and Germany, respectively. Despite less favourable growth prospects, the equity markets, supported by very low risk-free rates, which are expected to remain as such for some time, continued to hold up well. Since the coronavirus epidemic broke out, triggering a powerful wave of risk aversion, there has been a considerable slump in the equity markets (registering falls ranging from almost 7% for the S&P 500 index up to 14% for the Eurostoxx and CAC 40 indexes over two months). Despite its highly preventative nature, coming prior to a marked downgrading of the US macroeconomic inflation and employment indicators, the unexpected easing from the Federal Reserve has not succeeded in stemming the concerns of the markets. The equity markets may struggle for as long as the markets lack a minimum of clarity about the depth and duration of the crisis (assuming the lower part of a growth curve develops in the shape of a “U”). Their recovery, a pillar of the wealth effect, is an essential component of a scenario of a very sharp decline in growth with no deterioration into recession.

Recent events

Main objectives of the 2022 Medium-Term Plan

On 6 June 2019, Crédit Agricole Group announced its **draft Group** and **Medium-Term Plan** toward 2022, set out jointly with the Regional Banks and Crédit Agricole S.A.

The Group's project expressed the Purpose of Crédit Agricole for the first time. It serves as the foundation for its unique relational model and is at the heart of its universal community banking model. Looking to the future while remaining faithful to the daily translation of the Group's utility, this Purpose guides the transformation and development of the Group and carries the values of utility and universality. It can be summed up as follows: “Acting every day in the interest of our customers and society”.

Within this new long-term framework, the Strategic Plan 2022 is a blueprint for profitable growth for Crédit Agricole. It is in line with the previous Medium-Term Plan, “Strategic Ambition 2020”, most of which the financial results have been achieved a year ahead of schedule. It aims to amplify and accelerate the Group's trajectory in an uncertain environment marked by increasing societal demands.

The strategic ambition of the plan

The CET1 objectives set for the end of 2022 for Crédit Agricole Group exceed 16% and take into account the significant regulatory tightening expected between now and then. The CET1 ratio of the Crédit Agricole Group is the gauge of the financial solidity of the entire Group. The Group will also maintain prudent liquidity management. Lastly, for the duration of the Medium-Term Plan, a new stage in the simplification of the capital structure of Crédit Agricole Group will be completed with the partial unwinding of Switch for its insurance activities, a guarantee mechanism granted by the Regional Banks to Crédit Agricole S.A., with a positive effect on its earnings per share for the latter.

The Medium-Term Plan incorporates the continued strengthening of the Group's solvency by 2022 in its objectives with the continuation of prudent liquidity management.

2022 Objectives

CET 1	>16%	Retain more than 80% of earnings, bringing the CET1 capital to around €100 billion at end-2022 and the CET1 ratio to over 16%, despite regulatory tightening
MREL excluding eligible preferred senior debts	24%-25% as a % of risk weighted assets	Increase the subordinated MREL ratio by +2-3 pp, in order to maintain a buffer significantly higher than the regulatory requirements and to secure our financing conditions
	>8% as a % of TLOF *(Total Liabilities and Own Funds)*	
Surplus of stable resources(1)	>€100bn	Pursue prudent liquidity management measures, based on a high level of medium/long-term resources, and on increasing the reserves in line with the development of operations

(1) Long-term financing surplus against long-term commitments.

The Group has based its development on a unique relationship model, which it intends to strengthen through this new Group Project based on three pillars:

- **relational excellence at the heart of the Customer Project.** The Group's objective is to become the preferred bank for individuals, entrepreneurs and businesses, and to increase by +20 percentage points the number of customers using its digital applications in France and in Italy. The Group is investing in an innovative strategy of banking and non-banking services platforms, operated directly or with partners;
- **responsibility in proximity at the heart of the Human Project.** The Group stands out by always offering its customers direct access to a local customer relations manager. Transformations in terms of organization and management are planned to give employees a sense of responsibility as close as possible to the customer. The Group aspires to be the preferred employer in financial services in France and in the Top 5 in Europe;
- **a strong mutualist commitment to society at the heart of the Societal Project.** Crédit Agricole Group will continue its mutualist commitment to development for all and make green finance one of the Group's keys to growth. The Group thus intends to become the leading European player in responsible investment.

The new Medium-Term Plan is based on three levers:

- **growth in all our markets.** This lever requires intensifying customer relations for individual and wealthy clients, knowing how to respond to the singular needs of professionals and farmers, being the strategic partner for SMEs/ITEs, and extending the range of offers for large corporates and institutions. Payments are becoming a major lever for loyalty and customer acquisition. Lastly, within the framework of international development priority is given to Europe, and the extension of the universal banking model in Europe and Asia is being achieved through partnerships;
- **development of revenue synergies.** The Group aims to increase revenue synergies by +€1.3 billion to reach €10 billion in 2022. Insurance (+€800 million) and Specialised Financial Services (€300 million in consumer finance and leasing) are the two main levers;
- **technological transformation for enhanced efficiency.** The Group is allocating €15 billion to IT over four years. It wants to bring the technological fundamentals up to the best market standards, accelerate and better anticipate the adoption of new technologies and finally improve operational efficiency (reduce the operating ratio of Crédit Agricole SA by more than 2 percentage points to achieve under 60% by 2022).

Implementation of the Medium-Term Plan in 2019

Customer Project

The Group has set itself in motion in order to implement its Group Project and its Medium-Term Plan launched in June 2019. Concrete actions have been initiated in favour of **relational excellence,** which is at the heart of the Customer Project. All Group business lines have been organised around customer satisfaction, as evidenced by the Customer Recommendation Index (IRC), which has grown significantly since the end of 2018: +8 at LCL and +5 at the Regional Banks in the individual customer segment. Crédit Agricole Assurances also ranked No. 1 in automotive and home claims management by *Que Choisir* magazine in its January 2020 issue. A zero-defect culture has been instilled within the entities with the designation of 70 “Customer Champions”, voice of the customer, in all trades, for the resolution of frustrations and the development of fluid processes. A plan to address frustrations has already been launched and 25 priority actions have been identified. Lastly, the Group continues to support its customers by proposing innovative products adapted to their needs. This is illustrated by *“Trajectoires Patrimoine”:* this new approach to render advice offers a global and dynamic vision of customers' assets, enabling them to choose the best possible options for developing and protecting them from the very first euro. Since its launch at the beginning of 2019, more than 500,000 customers have been supported as part of this initiative.

The Group continues to adapt its offerings to new uses in order to become a **digital reference bank.** More than 127,000 customers have subscribed to “EKO” the entry-level banking product of Crédit Agricole introduced at the end of 2017. The “LCL Essentiel” banking product range, introduced in April 2019 to meet the specific needs of young urban workers, attracted more than 17,000 customers. New tailor-made products will continue to be rolled out, such as “Globe-Trotter” for young people aged 18 to 30 who travel, which was launched in February 2020. The multi-channel relationship also intensified, the number of customers contacted within the Regional Banks has increased (+1.9 percentage points since 2018), as has the number of customers using our mobile applications: +6 percentage points for the LCL mobile application since the end of 2018, and +4 percentage points for the “MaBanque” application. The LCL mobile app was furthermore voted best mobile application for the third consecutive year by the comparison site “meilleurebanque.com”, and the digital performance of Crédit Agricole was rewarded in 2019 with the Group's D-rating moving up to BBB under its digital transformation.

Innovation is finally placed at the centre of Crédit Agricole: 547 start-up assisted by Villages by CA; The network currently consists of 33 Villages By CA in France and Italy, with four new Villages to be created in 2019. La Fabrique By CA (the fintech start-up studio of the Group) also launched two platforms in 2019, to offer a wide range of banking and non-banking services: “Je suis entrepreneur” for establishing companies, ranging from the choice of location to securing business plans, including financing simulations, and “Yapla”, dedicated to the management of partnerships.

In this context, the Group's gross customer acquisition is very dynamic both in France and Italy, with 1,800,000 individual customers and entrepreneurs[1] (including more than 1,650,000 individuals and entrepreneurs in France) and a customer base of 370,000 customers in 2019 (including more than 330,000 customers in France) of which 280,000 were individual customers.

Human Project

As part of the Human Project of the Group, the **reorganisation of management,** aimed at increasing accountability, is committed. As of January 2020, 53% of the managers of Crédit Agricole S.A. have been trained in managerial transformation. Circular assessments (180 degrees) have been put in place at CA Italia and Amundi. In order to adopt a **shorter chain organisation,** to increase employee commitment and autonomy and to ensure greater customer proximity, the number of hierarchical layers at Crédit Agricole Payment Services has been reduced. Teleworking has also been used in 80% of the Group's entities by the end of 2019.

In order to strengthen **social dialogue,** an international framework agreement was signed on 31 July, with, as a first concrete measure, paid maternity leave of 16 weeks for all female employees outside France. The Group's **gender diversity policy** was also expanded this year, with 23.5% women on the Crédit Agricole S.A. Executive Committee (up +17 percentage points compared to 2018), and 28% of women in the management bodies of Crédit Agricole S.A. entities at the end of 2019 (up +5 points compared to 2018). Lastly, in terms of social diversity, 100% of Crédit Agricole Group entities welcomed 300 third-year trainees.

These actions are recognised by **VIGEO,** which raised the rating of Crédit Agricole in 2019, making the Group one of the most attractive companies in Europe. With its A1 ranking, the Group is ranked among the top 2% of the 5,000 companies evaluated by VIGEO and is fourth of 31 banks in the banking industry. Lastly, Crédit Agricole Group was ranked first among financial services in France in terms of diversity, in the "Diversity Leaders 2020" ranking of the Financial Times.

Societal Project

Governance

As part of the Group's climate strategy, a Scientific Committee is in the final stages of being set up This Committee, which brings together climate experts and scientists from outside the Crédit Agricole Group, is responsible for conducting the scientific work needed to guide and implement the Group's climate strategy. It feeds into the decisions of the Corporate Project Committee.

Crédit Agricole is implementing the transition note this year, in this context Crédit Agricole will request its large corporate customers to provide a detailed plan by 2021, for the withdrawal of their industrial mining and thermal coal production assets within the 2030/2040 timeframe, depending on the location of their assets. As a tool for dialogue and decision-making, this transition note complements the financial note and enriches the customer analysis file. The consolidation of transition ratings will make it possible to more precisely identify the potential effects of climate change on our financing portfolios and to develop climate stress tests for 2050, aligned with different types of scenarios.

Green finance

Unifergie – a subsidiary of Crédit Agricole Leasing & Factoring – The Nord de France Regional Bank, and Crédit Agricole CIB, participated in the refinancing of the French asset portfolio of Boralex, a Canadian company that develops, builds and operates renewable power generation facilities in North America and Europe. The transaction, totalling more than €1.1 billion, is the largest refinancing of a portfolio of renewable energy assets in France.

Crédit Agricole Home Loan SFH, the housing finance company subsidiary wholly owned by Crédit Agricole S.A., issued a green covered bond for €1.25 billion over 10 years. The funds will be allocated to the refinancing of the Regional Banks' and LCL's energy-efficient housing loans that reduce carbon emissions. This inaugural green issue reinforces the Group's presence in capital markets dedicated to financing the energy transition and highlights the role of the Regional Banks and LCL in promoting low-energy residential real estate.

LCL has introduced its first full range of investments in the fight against global warming. This range consists of equity or bond funds of companies that reduce their CO_2 emissions, reinforced by a carbon compensation mechanism.

In October 2019, Crédit Agricole S.A. issued a €1 billion senior non-preferred Green Bond with a 6-year maturity.

In addition, Crédit Agricole CIB has structured more than €42.9 billion in green bonds in 2019.

Inclusive finance

Crédit Agricole CIB played a leading role at the global level in the arrangement of Social Bonds, by participating in the structuring of more than €3.7 billion in Social Bonds in 2019, representing a market share of more than 30%, and even more than 40% of the European issuers' market (source: Dealogic).

Amundi is pursuing its 2018 goal of doubling the holdings of the Amundi Finance and Solidarity fund within three years. At the same time, the business line is taking the first steps towards a similar offering on a European scale. The ultimate aim is to offer a vehicle for investing in social enterprises in European countries where the Crédit Agricole Group and Amundi are particularly active.

(1) LCL/CA Italia: includes professionals – Regional Banks: includes professionals, farmers, small businesses and partnerships.

RISK FACTORS

This part of the Universal Registration Document sets out the main types of risks to which Crédit Agricole Group is exposed, as well as certain risks related to holding Crédit Agricole S.A. securities bearing in mind the structure of Crédit Agricole Group.

Bearing in mind the structure of Crédit Agricole Group, in particular with regard to the legal mechanism for internal financial solidarity provided for in Article L. 511-31 of the French Monetary and Financial Code (as described below under risk factor "a) If any member of the Crédit Agricole Network encounters future financial difficulties, Crédit Agricole S.A. would be required to mobilise the resources of the Crédit Agricole Network (including its own resources) to support such member" in Section 6 "Risk related to the structure of Crédit Agricole S.A.", the risk factors relating to Crédit Agricole S.A. and its activity are those relating to Crédit Agricole Group as described below.

Other parts of this chapter discuss Crédit Agricole Group's risk appetite and the policies employed to manage these risks. The information on the management of Crédit Agricole Group's risks is presented in accordance with IFRS 7, relating to disclosures on financial instruments.

A. RISK FACTORS RELATED TO CRÉDIT AGRICOLE S.A. AND ITS ACTIVITY

Risks specific to Crédit Agricole Group's business are presented in this section under the following categories: (i) credit risks and counterparty risks, (ii) financial risks, (iii) operational risks and associated risks, (iv) risks related to the environment in which Crédit Agricole Group operates, (v) risks related to strategy and transactions of Crédit Agricole Group, and (vi) risks related to the structure of Crédit Agricole Group.

Within each of the six categories, the risks that Crédit Agricole Group. currently considers to be most significant, based on an assessment of likelihood of occurrence and potential impact, are presented first. However, even a risk that is currently considered to be less important could have a significant impact on Crédit Agricole Group if it were to materialise in the future.

These risk factors are described below.

1. Credit and counterparty risks

a) The Crédit Agricole Group is exposed to the credit risk of its counterparties

The risk of insolvency of its customers and counterparties is one of the main risks to which Crédit Agricole Group is exposed. Credit risk impacts Crédit Agricole Group's consolidated financial statements when counterparties are unable to honour their obligations and when the carrying amount of these obligations in the bank's records is positive. Counterparties may be banks, financial institutions, industrial or commercial enterprises, governments and their various entities, investment funds, or individuals. The level of counterparty defaults may increase compared to recent historically low levels; Crédit Agricole Group may be required to record significant charges and provisions for possible bad and doubtful loans, affecting its profitability.

While Crédit Agricole Group seeks to reduce its exposure to credit risk by using risk mitigation techniques such as collateralisation, obtaining guarantees, entering into credit derivatives and entering into netting contracts, it cannot be certain that these techniques will be effective to offset losses resulting from counterparty defaults that are covered by these techniques. Moreover, Crédit Agricole Group is exposed to the risk of default by any party providing the credit risk coverage (such as a counterparty in derivatives) or to the risk of loss of value of the collateral. In addition, only a portion of Crédit Agricole Group's overall credit risk is covered by these techniques. Accordingly, Crédit Agricole Group has significant exposure to the risk of counterparty default.

As at 31 December 2019, the exposure of Crédit Agricole Group to credit and counterparty risks (including dilution risk and settlement delivery risk) was €1,740.6 billion before taking into account risk mitigation methods. This is distributed as follows: 39% retail customers, 32% corporates, 16% governments and 9% credit institutions and investment firms. Moreover, the amounts of risk-weighted assets (RWAs) relating to credit risk and counterparty risk to which Crédit Agricole Group is exposed were €455 billion and €21.5 billion, respectively, as at 31 December 2019. Crédit Agricole Group is the leader for retail banking in France with a cumulated market share over 28% in France. At that period-end, the total balance of loans and receivables is €1,110 billion of which €23.8 billion was in default and written down (impaired).

b) Any significant increase in provisions for loan losses or changes in Crédit Agricole Group's estimate of the risk of loss in its loan and receivables portfolio could adversely affect its results of operations and financial position

In connection with its lending activities, Crédit Agricole Group periodically recognises doubtful loan expenses, whenever necessary, to reflect actual or potential losses in respect of its loan and receivables portfolio, which are recognised in profit or loss account under "cost of risk". The Crédit Agricole Group's overall level of such asset impairment provisions is based upon its assessment of prior loss experience, the volume and type of lending being conducted, industry standards, statement of loans, economic conditions and other factors related to the recoverability of various loans, or scenario-based statistical methods applicable collectively to all relevant assets. Although Crédit Agricole Group seeks to establish an appropriate level of provisions, its lending businesses may cause it to have to increase its provisions for doubtful loans in the future as a result of increases in non-performing assets or for other reasons, such as deteriorating market conditions or factors affecting particular countries or industry sectors. Any significant increase in provisions for doubtful loans or a significant change in Crédit Agricole Group's estimate of the risk of loss inherent in its portfolio of non-impaired loans, as well as the occurrence of loan losses in excess of the charges recorded with respect thereto, could have an adverse effect on Crédit Agricole Group's results of operations and financial position.

As at 31 December 2019, the gross outstanding loans, receivables and debt securities of Crédit Agricole Group were €1,110 billion. With regard to credit risk, the amounts of reserves, accumulated impairments and related adjustments amounted to €1.76 billion. Cost of risk on receivables is limited to 20 basis points on a four rolling quarter basis at end 2019.

c) A deterioration in the quality of corporate debt obligations could adversely impact Crédit Agricole Group's results of operations

The credit quality of corporate borrowers could experience a deterioration, primarily from increased economic uncertainty and, in certain sectors, the risks associated with trade policies of major economic powers. The risks could be exacerbated by the recent practice by which lending institutions have reduced the level of covenant protection in their loan documentation, making it more difficult for lenders to intervene at an early stage to protect assets and limit the risk of non-payment. If a trend towards deterioration in credit quality were to appear, Crédit Agricole Group may be required to record asset impairment charges or to write off the value of its corporate debt portfolio, which would in turn impact Crédit Agricole Group's profitability and financial position.

As at 31 December 2019, Crédit Agricole Group's gross carrying values shown in Pillar 3 disclosure to sectors other than general government, banking, insurance and private individuals amounted to €507.8 billion (of which €7.0 billion in default) and was provisioned for nearly €5.4 billion.

d) The Crédit Agricole Group may be adversely affected by events impacting sectors to which it has significant exposure

The Crédit Agricole Group's exposures are very diversified due to its comprehensive customer-focused universal banking activities. The Crédit Agricole Group is mainly exposed to retail banking due to its presence within two networks, the Regional banks on one side and LCL on the other side. In addition, at end-December 2019, the gross credit exposures of Crédit Agricole Group in the "private individuals" sector amounted to €673.6 billion, or almost 49% of its credit risk exposures. Moreover, Crédit Agricole Group is subject to the risk that certain events may have a disproportionately large impact on a particular industrial sector to which it is significantly exposed. As at 31 December 2019 and at 31 December 2018, 14.5% and 13.8%, respectively, of Crédit Agricole Group commercial loan book involved borrowers in the public sector, (including local authorities), representing an amount of approximately €207 billion, as well as 4,6% and 4,7%, respectively, borrowers in the energy sector, representing an amount of approximately €65.7 billion. Public sector borrowers can be affected by national and local budgetary policies and spending priorities. Energy sector borrowers are subject to risks relating to volatility in energy prices. If these or other sectors that represent a significant share of Crédit Agricole Group's portfolio were to experience adverse conditions, Crédit Agricole Group's profitability and financial position could be adversely affected.

e) The Crédit Agricole Group is exposed to country risk and may be vulnerable to concentrated counterparty risk in certain countries where it operates

The Crédit Agricole Group is specifically exposed in absolute value to the country risk for France and Italy. In terms of absolute value, Crédit Agricole Group is most exposed to France and Italy. At 31 December 2019, Crédit Agricole Group's exposure amounted to €1,113.9 and €107.6 billion respectively, representing respectively 66% and 6% of the exposure over the period.

The Crédit Agricole Group is subject to country risk, meaning the risk that economic, financial, political or social conditions in a given country in which it operates will affect its financial interests. The Crédit Agricole Group monitors country risk and takes it into account in the fair value adjustments and cost of risk recorded in its financial statements. However, a significant change in political or macroeconomic environments may require it to record additional charges or to incur losses beyond the amounts previously written down in its financial statements. As of 31 December 2019 and 31 December 2018, as indicated in IFRS 7 breakdown by business sector of commercial lending 69% as in 2018, respectively, of Crédit Agricole Group's commercial loan book was represented by borrowers in France, and 7% and 8%, respectively, by borrowers in Italy. Adverse conditions that particularly affect these countries would have a particularly significant impact on Crédit Agricole Group. In addition, Crédit Agricole Group has significant exposures in countries outside the OECD, which are subject to risks that include political instability, unpredictable regulation and taxation, expropriation and other risks that are less present in more developed economies.

At end-2019, commercial lending (including to bank counterparties) to Crédit Agricole S.A. customers in countries with ratings below A3 (Moody's) or A- (Standard & Poor's), excluding countries in Western Europe (Italy, Spain, Portugal, Greece, Cyprus and Iceland), totalled €67.5 billion.

f) The soundness and conduct of other financial institutions and market participants could adversely affect Crédit Agricole Group

Crédit Agricole Group ability to engage in financing, investment and derivative transactions could be adversely affected by the soundness of other financial institutions or market participants. Financial services institutions are interrelated as a result of trading, clearing, counterparty, funding or other relationships. As a result, defaults by, or even rumours or questions about, one or more financial services institutions, or the loss of confidence in the financial services industry generally, may lead to market- wide liquidity contractions and could lead to further losses or defaults. The Crédit Agricole Group has exposure to many counterparties in the financial industry, including brokers and dealers, commercial banks, investment banks, mutual and hedge funds, and other institutional customers with which it regularly executes transactions. Many of these transactions expose Crédit Agricole Group to credit risk in the event of default or financial distress. In addition, Crédit Agricole Group's credit risk may be exacerbated when the collateral held by Crédit Agricole Group cannot be disposed of or is liquidated at prices not sufficient to recover the full amount of the loan or derivative exposure due to it.

As at 31 December 2019, the total amount of Crédit Agricole Group's gross exposures detailed in Pillar 3 to Credit and similar institutions counterparties was €147.6 billion, of which €103.8 billion under the internal ratings-based method. In terms of credit risk, 70% of the exposures treated using this method representing €16.1 billion of RWAs.

g) The Crédit Agricole Group is subject to counterparty risk in the conduct of its market activities

The Crédit Agricole Group could suffer losses in the event of a counterparty defaulting in its securities, currency, commodities and other market activities. When the Crédit Agricole Group holds portfolios of debt securities, including in the context of its market making activities, it is subject to the risk of deterioration in the credit quality of issuers or default. As part of its trading activities, the Crédit Agricole Group is exposed to the risk of a counterparty defaulting in the execution of its transaction settlement obligations. The Crédit Agricole Group's derivatives activities are also subject to the risk of a counterparty default, as well as to significant uncertainty regarding the amounts due in the event of such a default. In this regard, the risk-weighted assets (RWAs) corresponding to the counterparty risk on derivatives and deferred settlement transactions and indicated in Pillar 3 amounted to €8.93 billion at 31 December 2019. Although Crédit Agricole Group often obtains collateral or makes use of compensation rights to deal with these risks, these techniques may not be sufficient to ensure complete protection, and Crédit Agricole Group may incur significant losses due to the failure of major counterparties.

2. Financial risks

a) The Crédit Agricole Group is exposed to the low interest rate environment and any significant change in interest rates could adversely affect Crédit Agricole Group's consolidated revenues or profitability

The Crédit Agricole Group is one of the leaders in retail banking with its retail networks of both the Regional Banks and LCL and a market share over 28% in France (source: *Études économiques* and Banque de France), and is exposed to low interest rate risk. At 31 December 2019, the total balance of loans and receivables is €1,110 billion.

The amount of net interest income earned by Crédit Agricole Group during any given period significantly affects its overall consolidated revenues and profitability for that period. Interest rates are highly sensitive to many factors beyond Crédit Agricole Group's control. Changes in market interest rates could affect the interest rates charged on interest-earning assets differently than the interest rates paid on interest-bearing debt. Any adverse change in the yield curve could cause a decline in Crédit Agricole S.A.'s net interest income from its lending activities. Over the course of 2020, a 100 basis points decrease of interest rates in the Eurozone would imply a potential loss for Crédit Agricole S.A. of €23.8 million on the banking portfolio at 31 December 2019, amounting to a 0.07% decline in revenues for 2019 (compared to a decrease of €6.9 million, or 0.02% of the revenues as at 31 December 2018).

The cumulative impact over the next 30 years of a 200 basis point rate decrease corresponds to a negative impact of -€895 million, or 0.82% of the regulatory capital of Crédit Agricole Group (Tier 1 + Tier 2) after deduction of equity investments. In addition, increases in the interest rates at which short-term funding is available and maturity mismatches may adversely affect Crédit Agricole S.A.'s profitability.

b) The Crédit Agricole Group may generate lower revenues from its insurance, asset management, brokerage and other businesses during market downturns

Market downturns have in the past reduced the value of customer portfolios with members of Crédit Agricole S.A. specialised in asset and wealth management and increased the amount of withdrawals, thus reducing Crédit Agricole Group's revenues from these businesses. Over the course of the financial year ended 31 December 2019, 10% and 8% of the revenues of Crédit Agricole Group were generated from its asset and wealth management and insurance businesses. The Crédit Agricole Group is the leading insurer in France, through Crédit Agricole Assurances. Future downturns could have similar effects on the results and financial position of Crédit Agricole Group.

In addition, financial and economic conditions affect the number and size of transactions for which Crédit Agricole Group provides securities underwriting, financial advisory and other investment banking services. The Crédit Agricole Group's revenues, which include fees from these services, are directly related to the number and size of the transactions in which Crédit Agricole Group participates and can thus be significantly affected by market downturns. Moreover, because the fees that Crédit Agricole Group's members charge for managing their customers' portfolios are in many cases based on the value or performance of those portfolios, any market downturn that would reduce the value of the portfolios of Crédit Agricole Group's customers, would reduce the revenues that Crédit Agricole Group's members receive for these services.

Even in the absence of a market downturn, any below-market performance by Crédit Agricole Group's mutual funds and life insurance products may result in increased withdrawals and reduced inflows, which would reduce Crédit Agricole Group's revenues from its asset management and insurance businesses.

c) Adjustments to the carrying amount of Crédit Agricole Group's securities and derivatives portfolios and Crédit Agricole Group's own debt could have an impact on its net income and shareholders' equity

The carrying amount of Crédit Agricole Group's securities and derivatives portfolios and certain other assets, as well as that of its own debt, in its balance sheet are adjusted as at each financial statement date. The carrying amount adjustments reflect, among other things, the credit risk inherent in Crédit Agricole Group's own debt. Most of the adjustments are made on the basis of changes in fair value of the assets or liabilities of Crédit Agricole Group during an accounting period, with the changes recorded either in the income statement or directly in shareholders' equity. Changes that are recognised in the income statement, to the extent not offset by opposite changes in the fair value of other assets, affect the consolidated net income of Crédit Agricole Group. All fair value adjustments affect shareholders' equity and, as a result, the capital adequacy ratios of Crédit Agricole Group. The fact that fair value adjustments are recognised in one accounting period does not mean that further adjustments will not be necessary in subsequent periods.

As at 31 December 2019, the gross outstanding debt securities held by Crédit Agricole Group were close to €141.7 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were €99 million.

d) The Crédit Agricole Group may suffer losses in connection with its holdings of equity securities

Equity securities held by Crédit Agricole Group could decline in value, causing losses for Crédit Agricole Group. The Crédit Agricole Group bears the risk of a decline in value of equity securities in connection with its market-making and trading activities, mainly with respect to listed equity securities, in its private equity business, and in connection with transactions in which it acquires strategic equity investments in a company with a view to exercising control and influencing the management policies of Crédit Agricole Group In the case of strategic equity investments, Crédit Agricole Group's degree of control may be limited, and any disagreement with other shareholders or with management may adversely impact the ability of Crédit Agricole Group to influence the policies of the relevant entity. If Crédit Agricole Group's equity securities decline in value significantly, Crédit Agricole Group may be required to record fair value adjustments or recognise asset impairment charges in its consolidated financial statements, which could negatively impact its results of operations and financial position.

As at 31 December 2019, Crédit Agricole Group held close to €48.0 billion in equity instruments, of which €37.1 billion were recorded at fair value through profit or loss; €6.9 billion were held for trading purposes and €4.0 billion in equity instruments recognised at fair value through equity.

e) The Crédit Agricole Group must ensure that its assets and liabilities properly match in order to control the exposure to losses

The Crédit Agricole Group is exposed to the risk that the maturity, interest rate or currencies of its assets might not match those of its liabilities. The timing of payments on many of Crédit Agricole Group's assets is uncertain and, if Crédit Agricole Group receives lower revenues than expected at a given time, it might require additional funding from the market in order to meet its obligations on its liabilities. While Crédit Agricole Group imposes strict limits on the gaps between its assets and its liabilities as part of its risk management procedures, it cannot be certain that these limits will be fully effective to eliminate potential losses arising from asset and liability mismatches.

Crédit Agricole Group primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of any type of severe, prolonged liquidity crisis. As at 31 December 2019, Crédit Agricole Group's LCR (Liquidity Coverage Ratio – the prudential ratio to ensure the short-term resilience of the liquidity risk profile) was 129% greater than the regulatory minimum of 100%, and greater than the goal of 110% under the medium-term Plan.

In some of Crédit Agricole Group's business activities, notably its market activities, asset management and insurance activities, it is possible that protracted market movements, particularly asset price declines, reduce the level of activity in the market or reduce market liquidity. Such developments can lead to material losses if Crédit Agricole Group cannot close out deteriorating positions in a timely manner. This may especially be the case of assets held by Crédit Agricole Group that are not very liquid to begin with. Assets that are not traded on stock exchanges or other public trading markets, such as derivatives contracts between banks, may have values that Crédit Agricole Group calculates using models other than publicly-quoted prices. Monitoring the deterioration of prices of assets like these is difficult and could lead to losses that Crédit Agricole Group did not anticipate.

f) The Crédit Agricole Group is exposed to risks associated with changes in market prices and volatility with respect to a wide number of market parameters

The Crédit Agricole Group's businesses are materially affected by conditions in the financial markets, which in turn are impacted by current and anticipated future economic conditions in France, Europe and in the other regions around the world where Crédit Agricole Group operates. Adverse changes in market, economic or geopolitical conditions could create a challenging operating environment for financial institutions. In particular, the risks to which Crédit Agricole Group is therefore highly exposed include fluctuations in interest rates, security prices, foreign exchange rates, the specific yield premium on a bond issue and the prices of oil, precious metals and other commodities.

The Crédit Agricole Group uses a "Value at Risk" (VaR) model to quantify its exposure to potential losses related to market risks. VaR of Crédit Agricole Group as at 31 December 2019 was €9 million.

It also carries out stress tests in order to quantify its potential exposure in extreme scenarios. However, these techniques rely on statistical methodologies based on historical observations, which may turn out to be unreliable indicators of future market conditions. Accordingly, Crédit Agricole Group's exposure to market risk in extreme scenarios could be greater than the exposures predicted by its quantification techniques.

The amount of risk-weighted assets (RWAs) relating to the market risk to which Crédit Agricole Group is exposed was €11.9 billion as at 31 December 2019.

g) Future events may be different from those reflected in the management assumptions and estimates used in the preparation of Crédit Agricole S.A.'s financial statements, which may cause unexpected losses in the future

Under the IFRS standards and interpretations in effect as of 31 December 2019, Crédit Agricole S.A. is required to use certain estimates in preparing its financial statements, including accounting estimates to determine loan loss impairment charges, reserves related to future litigation, and the fair value of certain assets and liabilities, among other items. Should Crédit Agricole S.A.'s determined values for such items prove substantially inaccurate, or if the methods by which such values were determined are revised in future IFRS standards or interpretations, Crédit Agricole S.A. may experience unexpected losses.

For instance, Crédit Agricole S.A. has reported on the first-time adoption of IFRS 9 as from 1 January 2018. For Crédit Agricole S.A. the impacts were a loss of -€1,222 million and, prudentially, a decrease in CET1 capital of-€1,186 million, as well as an RWA increase of +€1,543 million resulting in a -27 basis points decrease of the CET1 ratio.

h) The Crédit Agricole Group's hedging strategies may not prevent losses

If any of the variety of instruments and strategies that Crédit Agricole S.A. uses to hedge its exposure to various types of risk in its businesses is not effective, Crédit Agricole S.A. may incur losses. Many of its strategies are based on historical trading patterns and correlations. For example, if Crédit Agricole S.A. holds a long position in an asset, it may hedge that position by taking a short position in an asset where the short position has historically moved in a direction that would offset a change in the value of the long position. The Crédit Agricole S.A. may only be partially hedged, however, or these strategies may not be fully effective in mitigating its risk exposure in all market environments or against all types of risk in the future. Unexpected market developments may also reduce the effectiveness of Crédit Agricole S.A.'s hedging strategies. In addition, the manner in which gains and losses resulting from certain ineffective hedges are recorded may result in additional volatility in Crédit Agricole S.A.'s reported earnings.

At 31 December 2019, the notional amount of protection bought in the form of credit derivatives was €6.4 billion (€3.7 billion at 31 December 2018), the notional amount of short positions was zero (the same as at 31 December 2018).

3. Operational risks and associated risks

The **operational risk** of Crédit Agricole Group includes non-compliance risk, legal risk and the risks generated by key outsourced services *(prestations externalisées).* Over the period from 2016 to 2018, operational risk incidents for Crédit Agricole Group were divided as follows: the "Implementation, delivery and process management" category represents 33% of the operational loss, the "Customers, products and business practices" category represents 30% of the operational loss, and the "External fraud" category represents 27% of the operational loss. Other operational risk incidents can be broken down into employment and safety practice (3%), internal fraud (3%), business disruptions and system failures (2%) and damage to tangible assets (1%). In addition, the amount of risk-weighted assets (RWAs) relating to operational risk to which Crédit Agricole S.A. is exposed was €56.1 billion as at 31 December 2019.

a) The Crédit Agricole Group is exposed to the risk of internal and external fraud

Fraud is defined as an intentional act carried out with the aim of obtaining a material or immaterial advantage to the detriment of a person or an organization perpetrated by violating laws, regulations or internal rules or by infringing the rights of others or by concealing all or part of an operation or set of operations or their characteristics.

At the end of 2019, the amount of proven fraud for the Crédit Agricole Group amounted to €114 million (down 6% compared to 2018) including €78 million for the Crédit Agricole S.A. and its subsidiaries. Retail banking in France and abroad accounts for more than 85% of total fraud through identity and documentary fraud and payment method fraud.

French and international retail banking accounts for the majority of fraud in number and amount (around 85%).

The risk distribution for fraud is as follows:

- identity and documentary fraud: 46%;
- fraud in means of payment (electronic payment, transfers and checks): 31%;
- internal fraud: 15%;
- other external fraud (various scams): 7%;
- cybercrime: 1%.

In a context of increased attempts at external fraud and more complex operating methods (notably *via* cybercrime), the main challenges now lie in the proactivity of the banking players. Fraud prevention thus aims to protect the interests of the Bank and protect customers. The consequences of these fraud risks could prove to be significant.

b) The Crédit Agricole Group is exposed to risks related to the security and reliability of its information systems and those of third parties

Technology is at the heart of the activity of banks in France, and Crédit Agricole Group continues to deploy its multichannel model as part of a lasting relationship with its customers. In this context, Crédit Agricole Group is subject to cyber risk, which is the risk caused by a malicious and/or fraudulent act, perpetrated digitally in an effort to manipulate data (personal, banking/insurance, technical or strategic data), processes and users, with the aim of causing material losses to companies, their employees, partners and customers. Cyber risk has become a top priority in the field of operational risks. A company's data assets are exposed to new, complex and evolving threats which could have material financial and reputational impacts on all companies, and specifically on banking institutions. Given the increasing sophistication of criminal enterprises behind cyber-attacks, regulatory and supervisory authorities have begun highlighting the importance of risk management in this area.

As with most other banks, Crédit Agricole Group relies heavily on communications and information systems throughout the Group to conduct its business. Any failure or interruption or breach in security of these systems could result in failures or interruptions in its customer relationship management, general ledger, deposit, servicing and/or loan organisation systems. If, for example, Crédit Agricole Group's information systems failed, even for a short period of time, it would be unable to serve in a timely manner certain customers' needs and could thus lose business opportunities. Likewise, a temporary shutdown of the information systems of Crédit Agricole Group, even though it has back-up recovery systems and contingency plans, could result in considerable costs required for information retrieval and verification. The Crédit Agricole Group cannot provide assurances that such failures or interruptions will not occur or, if they do occur, that they will be adequately addressed. The occurrence of any failures or interruptions could have an adverse effect on its financial position and results of operations.

The Crédit Agricole Group is also exposed to the risk of an operational failure or interruption of one of its clearing agents, foreign exchange markets, clearing houses, custodians or other financial intermediaries or external service providers that it uses to execute or facilitate its securities transactions. As its interconnectivity with its customers grows, Crédit Agricole Group may also become increasingly exposed to the risk of operational failure of its customers' information systems. The Crédit Agricole Group's communications and information systems, and those of its customers, service providers and counterparties, may also be subject to failures or interruptions resulting from cybercrime or cyber terrorism. The Crédit Agricole Group cannot guarantee that failures or interruptions in its systems or in those of other parties will not occur or, if they do occur, that they will be adequately resolved. Over the period from 2017 to 2019, operational losses due to the risk of business disruptions and system failures accounted for 2% of operational losses.

c) The Crédit Agricole Group's risk management policies, procedures and methods may leave it exposed to unidentified or unanticipated risks, which could lead to material losses

The Crédit Agricole Group's risk management techniques and strategies may not be fully effective in mitigating its risk exposure in all types of market environments or against all types of risk, including risks that it fails to identify or anticipate. Furthermore, the risk management procedures and policies used by Crédit Agricole Group do not guarantee effective risk reduction in all market configurations. These procedures may not be effective against certain risks, particularly those that Crédit Agricole Group has not previously identified or anticipated. Some of the qualitative tools and metrics used by Crédit Agricole Group for managing risk are based upon its use of observed historical market behaviour. Crédit Agricole Group applies statistical and other tools to these observations to assess its risk exposures. The tools and metrics may fail to predict future risk exposures of Crédit Agricole Group. These risk exposures could, for example, arise from factors it did not anticipate or correctly evaluate in its statistical models or from unprecedented market movements. This would limit its ability to manage its risks and affect its results. The Crédit Agricole Group's losses could therefore be significantly greater than those anticipated based on historical measures. In addition, certain of the processes that Crédit Agricole Group uses to estimate risk exposure are based on both complex analysis and factors that could lead to uncertain assumptions. Both qualitative and quantitative models used by Crédit Agricole Group may not be comprehensive and could lead Crédit Agricole Group to significant or unexpected losses. While no material issue has been identified to date, risk management systems are also subject to the risk of operational failure, including fraud.

As at 31 December 2019, Crédit Agricole Group had own funds requirements of €4.5 billion to cover the estimated loss relating to its operating risks.

d) Any damage to Crédit Agricole Group's reputation could have a negative impact on Crédit Agricole Group's business

The Crédit Agricole Group's business depends in large part on the maintenance of a strong reputation in compliance and ethics. If Crédit Agricole Group were to become subject to legal proceedings or adverse publicity relating to compliance or similar issues, Crédit Agricole Group's reputation could be affected, resulting in an adverse impact on its business. These issues include inappropriately dealing with potential conflicts of interest, legal and regulatory requirements, competition issues, ethics issues, money laundering laws, information security policies and sales and trading practices. The Crédit Agricole Group's reputation could also be damaged by an employee's misconduct or fraud or embezzlement by financial intermediaries. Any damage to Crédit Agricole Group's reputation might lead to a loss of business that could impact its earnings and financial position. Failure to address these issues adequately could also give rise to additional legal risk, which might increase the number of litigation claims and expose Crédit Agricole Group to fines or regulatory sanctions.

Reputational risk is a significant risk for the Group and is managed by the Group Compliance department, which notably ensures the prevention and control of the risks of non-compliance with, in this context, the prevention of money laundering, the fight against the financing of terrorism, the prevention of fraud and corruption, compliance with embargoes and the obligations to freeze assets.

e) The Crédit Agricole Group is exposed to the risk of paying higher compensation for damages or fines as a result of legal, arbitration or regulatory proceedings

The Crédit Agricole Group has in the past been, and may in the future be, subject to significant legal proceedings (including class action lawsuits), arbitrations and regulatory proceedings. When determined adversely to Crédit Agricole Group, these proceedings can result in awards of high damages, fines and penalties. Legal and regulatory proceedings to which Crédit Agricole Group has been subject involve issues such as collusion with respect to the manipulation of market benchmarks, violation of international sanctions, inadequate controls and other matters. While Crédit Agricole Group in many cases has substantial defences, even where the outcome of a legal or regulatory proceeding is ultimately favourable, Crédit Agricole Group may incur substantial costs and have to devote substantial resources to defending its interests.

Organised as a business line, the Legal Affairs Department has two main objectives: to control legal risk, which can give rise to disputes and liabilities, whether civil, disciplinary or criminal, and to provide the legal support needed by entities to enable them to carry out their activities. The Crédit Agricole Group had no costs for legal risk for financial year 2019. Litigation amounted to €852 million at end 2019.

f) The international scope of Crédit Agricole Group's operations exposes it to legal and compliance risks

The international scope of Crédit Agricole Group's operations exposes it to risks inherent in foreign operations, including the need to comply with multiple and often complex laws and regulations applicable to activities in each of the countries where Crédit Agricole Group is active, such as local banking laws and regulations, internal control and disclosure requirements, data privacy restrictions, European, U.S. and local anti-money laundering and anti-corruption laws and regulations, international sanctions and other rules and requirements. Violations of these laws and regulations could harm the reputation of Crédit Agricole Group, result in litigation, civil or criminal penalties, or otherwise have a material adverse effect on its business.

To illustrate, in October 2015, Crédit Agricole Group and its subsidiary Crédit Agricole Corporate and Investment bank (Crédit Agricole CIB) reached agreements with the US federal and New York State authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008. Crédit Agricole CIB and Crédit Agricole Group, which cooperated with the US federal and New York State authorities in connection with their investigations, have agreed to pay a total penalty in the amount of $787.3 million (*i.e.* €692.7 million).

Despite the implementation and improvement of procedures designed to ensure compliance with these laws and regulations, there can be no assurance that all employees or contractors of Crédit Agricole Group will follow its policies or that such programs will be adequate to prevent all violations. It cannot be excluded that transactions in violation of Crédit Agricole Group's policies may be identified, potentially resulting in penalties. The Crédit Agricole Group furthermore does not have direct or indirect majority voting control in certain entities with international operations, and in those cases its ability to require compliance with its policies and procedures may be even more limited.

At end-2019, Crédit Agricole Group had operations in 47 countries. This includes the parent entity, its subsidiaries and their branches. It does not include held-for-sale and discontinued operations, nor any entities consolidated using the equity method. Note that at end-2019, 81% of the net banking revenues (excluding intercompany disposals) of Crédit Agricole Group came from its two main locations (France and Italy).

4. Risks relating to the environment in which Crédit Agricole Group operates

a) The Crédit Agricole Group could be impacted by the consequences of the Covid-19 pandemic

The Covid-19 epidemic is expected to have significant negative impacts on the world economy, which would worsen if the epidemic were not contained quickly. It leads to supply and demand shocks, resulting in a marked slowdown in activity, due to the impact of containment measures on consumption and the distrust of economic agents, as well as production difficulties, supply chain disruptions in some sectors; and slower investment. The result would be a marked drop in growth, or even technical recessions in several countries. These consequences would impact the activity of the counterparties of the banks and, in turn, of the banks themselves. Crédit Agricole S.A., which announced support measures for its corporate and individual customers during the crisis, expects impacts on its revenues, as well as on its cost of risk (taking into account in particular the pro-cyclical effects of accounting rules), and therefore on its result. The extent and duration of these impacts are impossible to determine at this stage.

b) Adverse economic and financial conditions have in the past had and may in the future have an impact on Crédit Agricole S.A. and the markets in which it operates

The businesses of Crédit Agricole S.A. are specifically and significantly exposed to changes in the financial markets and to the development of the economic conditions in France, Europe and the rest of the world. In the financial year ended 31 December 2019, 71% of Crédit Agricole S.A.'s revenues were generated in France, 9% in Italy, 12% in the rest of Europe and 8% in the rest of the world. A deterioration in economic conditions in the markets where Crédit Agricole S.A. operates could have one or several of the following impacts:

- adverse economic conditions would affect the business and operations of customers of Crédit Agricole S.A., which could decrease revenues and increase the rate of default on loans and other receivables;
- a decline in the prices of bonds, equities and commodities could impact a significant portion of the business of Crédit Agricole S.A., including in particular trading, investment banking and asset management revenues;
- macro-economic policies adopted in response to actual or anticipated economic conditions could have unintended effects, and are likely to impact market parameters such as interest rates and foreign exchange rates, which in turn could affect the businesses of Crédit Agricole S.A. that are most exposed to market risk;
- perceived favourable economic conditions generally or in specific business sectors could result in asset price bubbles, which could in turn exacerbate the impact of corrections when conditions become less favourable;
- a significant economic disruption (such as the global financial crisis of 2008 or the European sovereign debt crisis of 2011) could have a severe impact on all of the activities of Crédit Agricole S.A., particularly if the disruption is characterised by an absence of market liquidity that makes it difficult to sell certain categories of assets at their estimated market value or at all;
- higher uncertainties and significant disturbances on markets can increase volatility. What could have significant adverse consequences on trading activities and of investment that the Crédit Agricole Group exercises in the markets debt, foreign exchange, commodities and stocks as well as on its positions in other investments. In the past years the financial markets have suffered major disruptions accompanied by high volatility, which could occur again, exposing the Crédit Agricole Group to significant losses. Such losses could extend to many trading instruments and coverage used by the Crédit Agricole Group, in particular swaps, forward, futures, options and structured products. In addition, the volatility of the financial markets makes it difficult to anticipate trends and the implementation of effective trading strategies.

In relation to this, in the current context of modest global growth and very accommodative monetary policies, a deterioration in economic conditions would increase the difficulties and failures of businesses and the unemployment rate could start rising again, increasing the probability of customer default. The heightened uncertainty could have a strong negative impact on the valuation of risky assets, on the currencies of countries in difficulty, and on the price of commodities.

- A deterioration in the global landscape, would lead to further easing of monetary policies, which combined with a revival risk aversion, would lead to prolonged maintenance of very low interest rates, at least in the core countries (including Germany and France).
- The political and geopolitical context – more conflictual and tenser – induces greater uncertainty and increases the overall level of risk. This can lead, in the event of rising tensions or the materialisation of latent risks, to some major market movements and weigh on economies: trade war, Brexit, tensions in the Middle East, social or political crises, around the world, etc.
- In Italy, a political crisis, against the backdrop of already low growth and high public debt, would have a negative impact on confidence and the economy, and could also cause a rise in interest rates and in the cost of refinancing for the government and the banks. It could also lead to losses on the sovereign portfolios of banks and insurers.
- In France, there could also be a significant drop in confidence in the event of a more marked deterioration of the social context which could lead households to consume less and save more as a precaution, and companies to delay investments, which could be harmful to growth and to the quality of private debt, which has increased more than in the rest of Europe.
- The very low level of interest rates leads investors, seeking yield, to move towards riskier assets; it leads to the formation of bubbles in financial assets and in certain real estate markets. It also leads private customers and governments to go into debt and debt levels are sometimes very high. This increases the risks in the event of a market downturn.

It is difficult to predict when economic or financial market downturns will occur, and which markets will be most significantly impacted. If economic or market conditions in France or elsewhere in Europe, or global markets more generally, were to deteriorate or become significantly more volatile, Crédit Agricole S.A.'s operations could be disrupted, and its business, results of operations and financial position could as a result experience a material adverse effect.

c) The Crédit Agricole Group's profitability and financial position may be impacted by either the continuation or the end of the current low interest rate environment

In recent years, global markets have been characterised by low interest rates. If the low interest rate environment continues, Crédit Agricole Group's profitability may be materially affected. During periods of low interest rates, interest rate spreads tend to tighten, and Crédit Agricole Group may be unable to lower funding costs sufficiently to offset reduced income from lending at lower market interest rates. Efforts to reduce the cost of deposits may be restricted by the prevalence, particularly in Crédit Agricole Group's home market of France, of regulated savings products (such as the home savings plan (*Plan d'Épargne Logement* – PEL) with interest rates set above current market levels. Low interest rates may also negatively affect the profitability of the insurance activities of the members of Crédit Agricole Group, which may not be able to generate an investment return sufficient to cover amounts paid out on some of their insurance products.

As at 31 December 2019, the share of the insurance business in the revenues of Crédit Agricole Group was 8%. Low interest rates may also affect commissions charged by the members of Crédit Agricole Group specialised in the management of money market assets and other fixed income products. As at 31 December 2019, the share of the asset management business in the revenues of Crédit Agricole Group was 7%. In addition, given lower interest rates, the members of Crédit Agricole Group have experienced an increase in early repayment and refinancing of mortgages and other fixed-rate consumer and corporate loans as customers look to take advantage of lower borrowing costs. As at 31 December 2019, the gross exposure to mortgage and other fixed-rate loans granted by Crédit Agricole Group were €94.4 billion. If interest rates remain low, a similar trend of early repayments could occur again. This, along with the issuance of new loans at the low prevailing market interest rates, could result in an overall decrease in the average interest rate of loan books. A reduction in credit spreads and a decline in retail banking revenues resulting from lower portfolio interest rates may have a material adverse effect on the profitability of the retail banking operations of the members of Crédit Agricole Group and the overall financial position of Crédit Agricole Group.

An environment of persistently low interest rates can also have the effect of flattening the yield curve in the market more generally, which could reduce the revenues generated by the financing activities of Crédit Agricole Group and each of its members and have a negative effect on their profitability and financial position. A flattening yield curve can also influence financial institutions to engage in riskier activities in an effort to earn the desired level of returns, which can increase overall market risk and volatility. The Crédit Agricole Group's operations could as a result be significantly disrupted, and, consequently, its business, results of operations and financial position could experience a material adverse effect.

On the other hand, the end of a period of prolonged low interest rates carries risks. If market interest rates were to rise, a portfolio featuring significant amounts of lower interest loans and fixed income assets as a result of an extended period of low interest rates would be expected to decline in value. If Crédit Agricole Group's hedging strategies are ineffective or provide only a partial hedge against such a change in value, Crédit Agricole Group could incur significant losses.

Moreover, any rate increase that is sharper or more rapid than expected could threaten economic growth in the European Union, the United States and elsewhere. With respect to the loans granted by Crédit Agricole Group, this could cause test the resistance of the loan and bond portfolios, which could lead to an increase in doubtful loans and defaults. More generally, the ending of accommodative monetary policies may lead to severe corrections in certain markets or assets (*e.g.,* non-investment grade corporate and sovereign borrowers, certain sectors of equities and real estate) that particularly benefited from the prolonged low interest rate and high liquidity environment. Such corrections could potentially be contagious to financial markets generally, including through substantially increased volatility. The Crédit Agricole Group's operations could as a result be significantly disrupted, and, consequently, its business, results of operations and financial position could experience a material adverse effect.

d) The Crédit Agricole Group operates in a highly regulated environment, and its profitability and financial position could be significantly impacted by ongoing legal and regulatory changes

The Crédit Agricole Group is subject to significant regulations and numerous supervisory regimes in the jurisdictions in which the Crédit Agricole Group operates, in particular France, Europe and the United States.

These regulations cover in particular, by way of illustration:

- regulatory and prudential requirements applicable to credit institutions, including prudential rules in terms of adequacy and minimum capital and liquidity requirements, risk diversification, governance, restriction in terms of equity investments and remunerations as defined in particular by Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 concerning the prudential requirements applicable to credit institutions and investment firms (as amended by Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019) and Directive 2013/36/EU of the European Parliament and of the Council of 26 June 2013 concerning access to employment credit institutions and the prudential supervision of credit institutions and investment firms as transposed into domestic law (as modified by the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019); under these regulations, credit institutions such as the Crédit Agricole Group must comply with minimum capital ratio requirements, diversification of risks and liquidity, monetary policy, reporting/declarations, as well as restrictions on equity investments. As of December 31, 2019, the Crédit Agricole Group's CET1 ratio was 15.9% and the Crédit Agricole Group's global phased ratio was 19.3%;
- the rules applicable to bank recovery and resolution transposing into domestic law the provisions of Directive 2014/59/EU of the European Parliament and of the Council of 15 May 2014 establishing a framework for the recovery and resolution of credit institutions and investment firms; in particular, the Crédit Agricole Group is placed under the supervision of the ECB to which a Crédit Agricole Group recovery plan is submitted each year in accordance with the applicable regulations (for more information, see the "Risk Management" section of Amendment A01 of URD 2019). In addition, the contribution of the Crédit Agricole Group to the annual financing of the Single Resolution Fund can be significant. In 2019, the Crédit Agricole Group's contribution to the Single Resolution Fund recorded a marked increase to €426 million, or +9.4% compared to 2018, concentrated in the first two quarters of 2018 and 2019;
- the regulations applicable to financial instruments (including shares and other securities issued by Crédit Agricole S.A.), as well as the rules relating to financial reporting, information disclosure and market abuse (Regulations (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse) which in particular increases the obligations of the Crédit Agricole Group in terms of transparency and reporting;
- monetary, liquidity and interest rate policies and other policies of central banks and regulatory authorities;
- the regulations governing certain types of transactions and investments, such as derivatives and financing operations on securities and money market funds (Regulation (EU) No. 648/2012 of the European Parliament and of the Council of 4 July 2012 over-the-counter derivatives, central counterparties and trade repositories);

- market infrastructure regulations, such as trading platforms, central counterparties, central depositories and securities settlement systems;
- tax and accounting legislation in the jurisdictions where the Crédit Agricole Group operates, as well as the rules and procedures relating to internal control, risk management and compliance.

As a result of some of these measures, the Crédit Agricole Group was notably forced to reduce the size of some of its activities in order to comply with the new requirements created by them. These measures have also increased compliance costs and it is likely that they will continue to do so. In addition, some of these measures could significantly increase the financing costs of the Crédit Agricole Group, in particular by obliging the Crédit Agricole Group to increase the share of its financing consisting of capital and subordinated debts, the costs of which are higher. higher than those of senior debt securities.

Failure to comply with these regulations could have major consequences for the Crédit Agricole Group: a high level of intervention by regulatory authorities as well as fines, international political sanctions, public reprimands, attacks on the reputation, forced suspension of operations or, in extreme cases, withdrawal of the operating license. In addition, regulatory constraints could significantly limit the ability of the Crédit Agricole Group to develop its activities or to continue some of its activities.

In addition, legislative and regulatory measures have entered into force in recent years or may be adopted or modified to introduce or strengthen a number of changes, some of which are permanent, in the overall financial environment. Although these new measures are intended to prevent the occurrence of a new global financial crisis, they have significantly changed, and are likely to continue to change, the environment in which the Crédit Agricole Group and other financial institutions operate. As such, these measures which have been or could be adopted in the future include a strengthening of capital and liquidity requirements (notably for large international institutions and groups such as the Crédit Agricole Group), taxes on financial transactions, ceilings or taxes on compensation of employees exceeding certain determined levels, limits imposed on commercial banks concerning the types of activities they are authorized to exercise (prohibition or limitation of trading activities for own account, investments and holdings in private equity funds and hedge funds), the obligation to circumscribe certain activities, restrictions on the types of entities authorized to carry out swap transactions, certain types of financial activities or products such as derivatives, setting up a depreciation procedure mandatory debt conversion or conversion of certain debt instruments into equity securities in the event of a resolution procedure, and more generally reinforced recovery and resolution systems, of new risk weighting methodologies (notably in insurance activities), periodic stress tests and the strengthening of the powers of the supervisory authorities.

Some of the new measures adopted after the financial crisis should therefore soon be modified, affecting the predictability of the regulatory regimes to which the Crédit Agricole Group is subject and requiring rapid implementation likely to mobilize significant resources within the Crédit Agricole Group. In addition, the adoption of these new measures could increase the constraints on the Crédit Agricole Group and require a strengthening of the actions carried out by the Crédit Agricole Group presented above in response to the existing regulatory context.

In addition, the overall political environment has developed unfavourably for banks and the financial sector, which has resulted in strong political pressure on the legislative and regulatory bodies favouring the adoption of reinforced regulatory measures, although these can also impact the financing of the economy and other economic activities.

Given the continuing uncertainty linked to new legislative and regulatory measures, the scale and scope of which are largely unpredictable, it is impossible to predict their real impact on the Crédit Agricole Group, but its impact could be very significant.

5. Risks related to the strategy and transactions of the Crédit Agricole Group

a) The Crédit Agricole Group may not achieve the targets set out in its medium-term Plan

On 6 June 2019, Crédit Agricole Group announced its medium-term plan up to 2022 (the “medium-term Plan”). The medium-term Plan provides several initiatives, including a strategic ambition based on three pillars (i) growth in all of Crédit Agricole Group’s markets, with the objective of being first in customer acquisition, (ii) revenue synergies to reach €10 billion in 2022, and (iii) technological transformation to increase the efficiency of cumulative IT spending by €15 billion over four years.

The Crédit Agricole Group has committed to a global approach to its CSR policy in the 2022 Group Project & MTP, including the financing of one out of three renewable energy projects and becoming a major player in Europe; developing a range of green leasing products, doubling the size of the green loan portfolio to €13 billion of outstanding loans; strengthening the Green Liquidity Factor mechanism within the Group; the attribution of a transition rating to each large corporate customer; the integration of ESG criteria in 100% of financing to large corporates and gradually to SMEs; and, lastly, aligning the sector policy with the Paris Agreement (programmed exit of thermal coal in the EU and OECD, with a threshold of 25% as from 2019).

The medium-term Plan includes a number of financial targets relating to revenues, expenses, net income and capital adequacy ratios, among other things. These financial targets were established primarily for purposes of internal planning and allocation of resources, and are based on a number of assumptions with regard to business and economic conditions. The financial targets do not constitute projections or forecasts of anticipated results. The actual results of Crédit Agricole Group are likely to vary (and could vary significantly) from these targets for a number of reasons, including the materialisation of one or more of the risk factors described elsewhere in this section. As an example, Crédit Agricole Group plans, at the end of 2022, to have a solvency over 16%.

The plan’s success depends on a very large number of initiatives (both significant and modest in scope) within different Crédit Agricole Group entities. While many of these could be successful, it is unlikely that all targets will be met, and it is not possible to predict which objectives will and will not be achieved. The medium-term Plan also provides for significant investments, but if the objectives of the plan are not met, the return on these investments will be less than expected.

If Crédit Agricole Group fails to achieve the targets of its medium-term Plan, its financial position and results of operations could be materially adversely affected.

b) Claims made against subsidiaries of Crédit Agricole Group's in the exercise of their insurance activities could be inconsistent with the assumptions they use to price their insurance products and the fees for obligations related to claims experience and technical reserves

The revenues from the insurance activities of members of Crédit Agricole Group depend significantly upon the extent to which the actual claims experience is consistent with the assumptions they use in setting the prices for their products and establishing technical reserves. Crédit Agricole Assurances uses both its own empirical analysis and industry data to develop its products and estimate future policy benefits, including information used in pricing the insurance products and establishing the related actuarial liabilities. However, there can be no assurance that actual experience will match these estimates, and unanticipated risks such as pandemic diseases or natural disasters could result in loss experience inconsistent with the relevant assumptions related to the pricing of these products and the establishment of reserves. To the extent that the actual claims paid by Crédit Agricole Assurances to policyholders are higher than the underlying assumptions used in initially establishing the future policy reserves, or if events or trends cause Crédit Agricole Assurances to change the underlying assumptions, Crédit Agricole Assurances may be exposed to greater than expected liabilities, which may adversely affect Crédit Agricole Group's insurance business, results of operations and financial position.

Crédit Agricole Assurances is adapting its strategy to the new rate environment, in particular by implementing incentivising measures for unit-linked (UL) policies and is preparing to decrease the policyholders' deferred profit sharing (*participation aux bénéfices* – PAB). Crédit Agricole Assurances continues to increase its profit-sharing reserves (*provision pour participation aux excédents* – PPE) to €10.8 billion at 31 December 2019 (+€1 billion compared to December 2018), or 5.2% of euro-denominated policies outstanding, which represents several years of rates paid out to policyholders (based on the rates paid out in 2018 and 2019) and which constitutes a level of coverage higher than the market average in France. Moreover, the UL ratio in assets under management of Crédit Agricole Assurances reached 22.8% at 31 December 2019, up 1.8 points over 2019. In Property and Casualty Insurance the combined ratio remained well under control, despite the 2019 frost/hail and drought loss events. It declined slightly by 0.4 percentage points year-on-year, to 95.9%. Finally, Crédit Agricole Assurances maintains a high level of solvency by posting a ratio of 263% at the end of 2019.

c) Adverse events may affect several of Crédit Agricole Group's businesses simultaneously

While each of Crédit Agricole Group's principal activities are subject to risks specific to them and are subject to different market cycles, it is possible that adverse events could affect several of Crédit Agricole Group's activities at the same time. For instance, a decrease in interest rates could simultaneously impact the interest margin on loans, the yield and therefore the commission earned on asset management products, and the returns on investments of the insurance subsidiaries. In such event, Crédit Agricole Group might not realise the benefits that it otherwise would hope to achieve through the diversification of its activities. For example, adverse macroeconomic conditions could impact Crédit Agricole Group in multiple ways, by increasing default risk in its lending activities, causing a decline in the value of its securities portfolios and reducing revenues in Crédit Agricole Group's commission-generating activities. Where an event adversely affects multiple activities, the impact on the result and financial position of Crédit Agricole Group is all the more important.

d) The Crédit Agricole S.A. is subject to risks associated with climate change

While Crédit Agricole S.A.'s activities generally are not exposed directly to climate change risks, Crédit Agricole S.A. is subject to a number of indirect risks that could have a significant impact. When Crédit Agricole S.A. lends to businesses that conduct activities that produce significant quantities of greenhouse gases, Crédit Agricole S.A. is subject to the risk that more stringent regulations or limitations on the borrower's activities could have a material adverse impact on its credit quality, causing Crédit Agricole S.A. to suffer losses on its loan portfolio. The Crédit Agricole S.A. also conducts activities relating to trading of emissions allowances and could suffer losses due to adverse movements in prices for such allowances. As the transition to a more stringent climate change environment accelerates, Crédit Agricole S.A. will have to adapt its activities appropriately in order to achieve its strategic objectives and to avoid suffering losses.

With the medium-term Plan and its climate strategy, the Group is committed to completely moving away from thermal coal by 2030, in the European Union and OECD countries, and by 2040 in the rest of the world.

e) The Crédit Agricole Group, along with its corporate and investment banking subsidiary, must maintain high credit ratings, or their business and profitability could be adversely affected

Credit ratings have an important impact on the liquidity of Crédit Agricole Group and the liquidity of each of its members that are active in financial markets (principally its corporate and investment banking subsidiary, Crédit Agricole CIB). A downgrade in credit ratings could adversely affect the liquidity and competitive position of Crédit Agricole Group or Crédit Agricole CIB, increase borrowing costs, limit access to the capital markets, trigger obligations in Crédit Agricole Group's hedged bond program or under certain bilateral provisions in some trading, derivative and collateralised financing contracts, or adversely affect the market value of the bonds.

The Crédit Agricole Group's cost of obtaining long-term unsecured funding from market investors, and that of Crédit Agricole CIB, is directly related to their credit spreads (the amount in excess of the interest rate of government securities of the same maturity that is paid to debt investors), which in turn depend to a certain extent on their credit ratings. Increases in credit spreads can significantly increase Crédit Agricole Group's or Crédit Agricole CIB's cost of funding. Changes in credit spreads are continuous, market-driven, and subject at times to unpredictable and highly volatile movements. Credit spreads are also influenced by market perceptions of Crédit Agricole Group creditworthiness. In addition, credit spreads may be influenced by movements in the acquisition cost of credit default swaps indexed to Crédit Agricole Group's or Crédit Agricole CIB's debt securities, which are influenced both by the credit quality of those securities, and by a number of market factors that are beyond the control of Crédit Agricole Group and Crédit Agricole CIB.

Among the three rating agencies solicited by the Group, Moody's and S&P Global Ratings found that the outlook is stable as of today. Fitch Ratings is giving a negative outlook related to the coranovirus outbreak. To reiterate, the Group's ratings according to Moody's, S&P Global Ratings and Fitch Ratings are Aa3, A+ and A+, respectively.

f) The Crédit Agricole Group faces intense competition

The Crédit Agricole S.A. faces intense competition in all financial services markets and for the products and services it offers, including retail banking services. To illustrate, the French Regional Banks will have a market share of nearly 23% at end-2019 (source: Banque de France, September 2019). The European financial services markets are mature, and the demand for financial services products is, to some extent, related to overall economic development. Competition in this environment is based on many factors, including the products and services offered, pricing, distribution systems, customer service, brand recognition, perceived financial strength and the willingness to use capital to serve customer needs. Consolidation has created a number of firms that, like Crédit Agricole S.A., have the ability to offer a wide range of products, from insurance, loans and deposit taking to brokerage, investment banking and asset management services.

In addition, new rivals that are more competitive (including those utilising innovative technology solutions), which may be subject to separate or more flexible regulation, or other requirements relating to prudential ratios, are also emerging in the market. Technological advances and the growth of e-commerce have made it possible for non-bank institutions to offer products and services that traditionally were banking products, and for financial institutions and other companies to provide electronic and Internet-based financial solutions, including electronic securities trading. These new players exert downward price pressure on Crédit Agricole S.A.'s products and services and can succeed in winning market share in areas that have been historically stable and dominated by traditional financial institutions. In addition, new applications, particularly in payment processing and retail banking, new currencies, such as bitcoin, and new technologies facilitating transaction processing, such as blockchain, have been gradually transforming the financial sector and the ways in which customers consume banking services. It is difficult to predict the effects of the emergence of such new technologies, for which the regulatory framework is still being defined, but their increased use may transform the competitive landscape of the banking and financial industry. The Crédit Agricole S.A. must therefore strive to maintain its competitiveness in France and in the other major markets in which it operates by adapting its systems and strengthening its technological footprint to maintain its current market share and level of results.

6. Risks related to the structure of the Crédit Agricole Group

a) If any member of the Crédit Agricole Network encounters future financial difficulties, Crédit Agricole S.A. would be required to mobilise the resources of the Crédit Agricole Network (including its own resources) to support such member

Crédit Agricole S.A. is the corporate centre of the Crédit Agricole Network, consisting of Crédit Agricole S.A., the Regional Banks and the Local Banks, pursuant to Article R. 512-18 of the French Monetary and Financial Code, as well as of the affiliate members Crédit Agricole Corporate and Investment bank and Bforbank (the **"Network"**).

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code (CMF), Crédit Agricole S.A. as the corporate centre must take all measures necessary to ensure the liquidity and solvency of each institution member of the Network, as well as the Network as a whole. As a result, each member of the Network benefits from and contributes to this internal financial solidarity. The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this legal mechanism for internal financial solidarity. More specifically, they have established a Fund for bank Liquidity and Solvency Risks (*Fonds pour risques bancaires de liquidité et de solvabilité* – FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as corporate centre by providing assistance to any Network member that may be experiencing difficulties.

Although Crédit Agricole S.A. is not currently aware of circumstances likely to require recourse to the FRBLS to support a member of the Network, there can be no assurance that it will not be necessary to use the Fund in future. In such a case, if the resources of the FRBLS were to be insufficient, Crédit Agricole S.A., under its tasks as corporate centre, will be required to make up the shortfall by mobilising its own resources and, where appropriate, those of the other members of the Network.

As a result of this obligation, if a member of the Network would face major financial difficulties, the event underlying these financial difficulties could impact the financial position of Crédit Agricole S.A. and that of the other members of the Network that are relied upon for support under the financial solidarity mechanism. In the extreme case where this situation would result in commencing a resolution procedure for the Group or the judicial liquidation of a member of the Network, the mobilisation of the resources of Crédit Agricole S.A. and, as the case may be, of the other members of the Network in support of the entity that initially suffered the financial difficulty, could impact, first, the equity instruments in any type (CET1, AT1, Tier 2, including Bonds) and, second, if the loss proves to be greater than the amount of the equity instruments, the liabilities constituting commitments eligible for internal bail-out, including non-preferred senior and preferred senior preferred securities and other debt of similar rank, in accordance with the terms and conditions provided for by law and applicable contractual provisions. In such case, the bearers and creditors concerned could lose all or part of their investment.

b) The practical advantage of the 1988 Guarantee issued by the Regional Banks may be limited by the implementation of the resolution regime that would apply prior to liquidation

The resolution regime provided for by the BRRD could limit the practical effect of the **1988 Guarantee** (as defined below) on the Regional Banks.

This resolution regime does not affect the legal internal financial solidarity mechanism provided for under Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole Network (as defined in French law) and its affiliated members. This mechanism must be applied prior to any resolution action.

However, the application to the Crédit Agricole Group of resolution procedures could limit the occurrence of the conditions for implementing the 1988 Guarantee, it being specified that the said 1988 Guarantee can only be called if Crédit Agricole S.A. assets prove to be insufficient to cover its obligations at the end of its liquidation or dissolution. Due to this limitation, bondholders and creditors of Crédit Agricole S.A. may not be able to benefit from the protection that this Guarantee would offer.

RISK MANAGEMENT

This section of the management report presents the Group's risk appetite, the nature of the main risks to which the Group is exposed, their magnitude and the measures implemented to manage them.

The information presented under IFRS 7 on financial instrument disclosures covers the following main types of risks[(1)]:

- credit risks;
- market risks;
- structural balance sheet risks: global interest rate risk, foreign exchange risk and liquidity risk, including risks associated with the insurance industry.

In order to cover all risks inherent in the banking business, additional information is provided concerning:

- operational risks;
- non-compliance risks.

In accordance with legislation and best professional practices, risk management within the Crédit Agricole Group is reflected by a form of governance in which the roles and responsibilities of each individual are clearly identified, as well as by effective and reliable risk management methodologies and procedures which make it possible to measure, monitor and manage all the risks to which the Group is exposed.

2.1 RISK APPETITE, GOVERNANCE AND ORGANISATION OF RISK MANAGEMENT

Concise statement on risks

(Statement prepared in compliance with Article 435-(1)-(f) of Regulation (EU) No. 575/2013)

The Board of Directors of the Crédit Agricole Group makes a formal statement every year regarding its risk appetite. For 2020, this was discussed and approved on 17 December 2019 after first having been reviewed and recommended by the Risk Management Committee. The Group's Risk Appetite Statement is prepared in line with the risk appetite approach applied in the various entities. The statement is an integral and strategic part of the governance framework which covers strategy, business targets, risk management and global financial management for the Group. The strategic orientations of the Medium-Term Plan, the Risk Appetite Statement, the budgetary process and the allocation of resources to the business lines are mutually coherent.

The Risk Appetite of the Crédit Agricole Group is the type and aggregate amount of risk that the Group is ready to take on, in the framework of its strategic targets.

The Group's risk appetite is determined by particular reference to the financial policy and the risk management policy, which are based on:

- a policy of selective and responsible financing that takes account of a prudent lending policy framed by the risks strategy, the corporate social responsibility policy and the authorisation system;
- the objective of keeping market risk exposure low;
- the strict management of operational risk exposure;
- limits on non-compliance risk to exposures, which are strictly managed;
- management of the growth of risk-weighted assets;
- management of risks related to asset and liability management.

The formal definition of risk appetite allows Executive Management and the Board of Directors to define the Group's development direction consistent with the Medium-Term Plan and translate it into operational strategies. This results in a consistent approach shared by the Strategy, Finance, Risk and Compliance departments.

The Risk Appetite Statement is coordinated with the Operational departments of the various entities and aims to:

- engage Directors and senior Management in reflection and dialogue on risk taking;
- formalise, standardise and make explicit the acceptable level of risk for a given strategy;
- fully integrate risk/return considerations into the strategic planning and decision-making processes;
- define advance indicators and alert thresholds so that Management can anticipate excessive deteriorations in strategic indicators and improve resilience by taking action as soon as alerts for risk appetite standards are triggered;
- improve external communications to third parties on financial strength and risk management.

The Group's risk appetite is defined through:

- **key indicators:**
  - **Crédit Agricole S.A.'s external rating** which has a direct impact on refinancing terms, the Group's image in the market and the price of its securities,
  - **solvency** which guarantees the Group's sustainability by ensuring it has sufficient capital to back the risks it is taking on,
  - **liquidity**, the management of which aims to prevent the Group's sources of finances drying up with the consequent threat of default on payments, or even resolution,
  - **business risk** which provides a measure of progress towards the strategy laid down by the Group, thereby guaranteeing its long-term survival,
  - **profit**, because the direct source of future solvency and shareholder dividends and therefore a key part of the Group's financial communications,
  - **credit risk** of the Crédit Agricole Group, which constitutes its main risk;
- **limits, alert thresholds and risk envelopes** defined in line with these indicators: credit, market, interest rate and operational risks;
- **qualitative priorities,** inherent to the Crédit Agricole Group's strategy and businesses, essentially looking at risks which are not currently quantified. The qualitative criteria are largely based on the Corporate Social Responsibility (CSR) policy of the Company, which embodies the Group's concern with supporting sustainable development and controlling all risks including non-financial risks.

(1) These disclosures are an integral part of the consolidated financial statements as at 31 December 2018 and, as such, are covered by the Statutory Auditors' report.

The key indicators reflect three levels of risk:

- **appetite** is used for managing normal everyday risk. It is expressed in budget targets framed by operational limits, any breach of which is immediately flagged up to Executive Management, which decides on corrective action;
- **tolerance** is used for exceptional management of a deteriorated level of risk. Breach of tolerance thresholds in key indicators or limits triggers an immediate report to the Chairman of the Risk Management Committee, which is then, if necessary, referred up to the Board of Directors;
- **capacity** is the maximum risk that the Crédit Agricole Group could theoretically take on without infringing its operational or regulatory constraints.

Crédit Agricole Group's risk appetite system is based on the risk identification process which aims to list as exhaustively as possible Crédit Agricole Group's major risks and to apply a uniform classification to placing them in categories and sub-categories.

Overall risk profile

Crédit Agricole Group's business is built around the customer-focused universal banking model in Europe with a low level of default and prudent provisioning. The market risk profile has also considerably reduced, as a result of a change in the Group's strategy since 2007.

The Group's risk profile is monitored and presented at least every quarter to the Group Risk Management Committee and to the Board of Directors. Breach of tolerance levels for central indicators or limits on the system are reported and corrective actions proposed to the Board of Directors. The executive Directors and the supervisory body are thus kept regularly informed of how the risk profile corresponds to the risk appetite.

The main components of Crédit Agricole Group's risk profile at 31 December 2019 are broken down in the "Risk Management" and "Pillar 3" sections, respectively, of this Registration Document:

- Credit risk: part 3.4 (Risk management) and part 4.2 (Pillar 3);
- Market risk: part 3.5 (Risk management) and part 4.4 (Pillar 3);
- Financial risks (interest rate, exchange rate, liquidity and financing): part 5 (Risk factors) and parts 5 and 6 (Pillar 3);
- Operational Risk: part 3.8 (Risk management) and part 4.6 (Pillar 3).

A sample of the key indicators of the Risk Appetite Statement is shown in the table below:

	CET1 Ratio	LCR ratio (year-end level)	Cost of risk	Net income Group share	Impaired loans to outstanding loans ratio[1]
31 December 2019	16%	135%	€1.76 billion	€7.20 billion	2.47%
31 December 2018	15%	135%	€1.72 billion	€6.84 billion	2.41%

(1) The scope of calculation of the impaired loans to outstanding loans ratio includes finance leases and other accrued interest.

At 31 December 2019, Crédit Agricole Group's risk appetite indicators were within the risk appetite levels defined by the Group. They have not reached the tolerance thresholds.

Adequacy of the institution's risk management arrangements pursuant to Article 435-1-(e) of Regulation (EU) No. 575/2013

At its meeting of 17 December 2019, the Board of Directors of Crédit Agricole S.A. concluded, having regard to all the information submitted to it in 2019 providing it, in particular, with a view of how the risk profile of the institution interacts with the tolerance level, that the risk management arrangements put in place by the Crédit Agricole Group are appropriate given its profile and strategy.

Organisation of risk management

Risk management, which is inherent in banking activities, lies at the heart of the Group's internal control system. All staff involved, from the initiation of transactions to final maturity, play a part in this system.

Measuring and monitoring risk is the responsibility of the dedicated Risk Management business line (headed by the Group Risk Management department – *Direction des risques Groupe* (DRG)), which is independent from Group functions and reports directly to Executive Management.

Although risk management is primarily the responsibility of the business lines which oversee their own business development, DRG's task is to ensure that the risks to which the Group is exposed are consistent with the risk strategies defined by the business lines (in terms of global and individual limits and selection criteria) and compatible with the Group's growth and profitability targets.

DRG performs consolidated Group-wide monitoring of risks using a network of Risk Management and Permanent Controls Officers who report hierarchically to the Head of Risk Management and Permanent Controls and functionally to the executive body of their entity or business line.

To ensure a consistent view of risks within the Group, the DRG has the following duties:

- it coordinates the risk identification process and the implementation of the Group's risk appetite framework in cooperation with the Finance, Strategy and Compliance functions and the business lines;
- it defines and/or validates methods and procedures for analysing, measuring and monitoring credit, market and operational risks;
- it takes part in the critical analysis of the business lines' commercial development strategies, focusing on the risk impact of these strategies;
- it provides independent opinions to Executive Management on risk exposure arising from business lines' positions (credit transactions, setting of market risk limits) or anticipated by their risk strategy;
- it lists and analyses Group entities' risks, on which data is collected in risk information systems.

The Financial Management unit of the Group Finance department (*Direction des finances Groupe* – FIG) is responsible for the management of structural asset/liability risk (interest rate, exchange rate and liquidity) as well as for the refinancing policy and for the management of capital requirements.

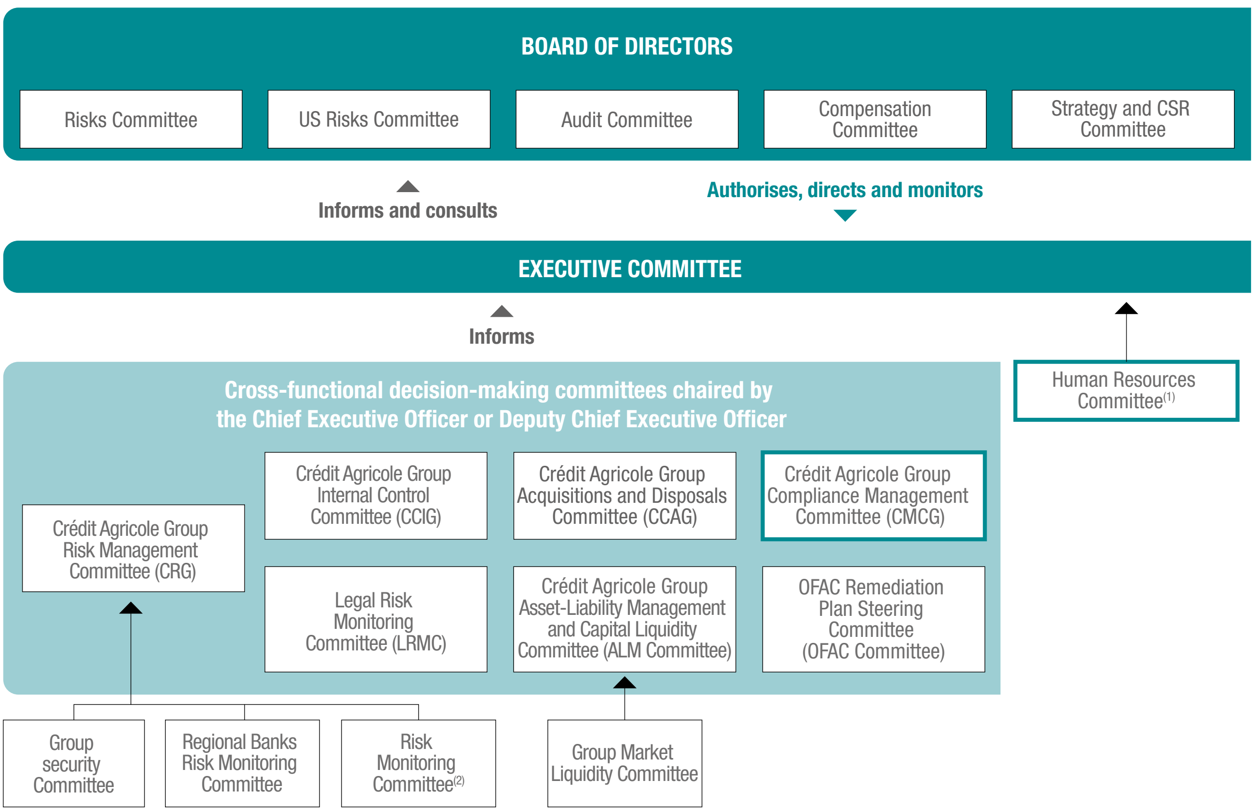
Supervision of these risks by Executive Management is carried out through Liquidity and ALM (Asset Liability Management) Committee meetings, in which the DRG takes part.

The DRG keeps the executive Directors and the supervisory body informed of the degree of risk control in the Group, presents various risk strategies of the major business lines of the Group for validation, and warns them of any risk of deviation from risk strategies or policies approved by executive bodies. It informs them of the outcomes and performance of prevention measures, whose organisational principles are approved by them. It makes suggestions for any improvement of such measures that may be required as a result of changes to business lines and their environment.

At consolidated level, this action falls within the remit of governance bodies, in particular:

- the Risk Management Committee (a Board of Directors sub-committee, eight meetings per year): it analyses key factors in the Group's risk appetite statement defined by Executive Management, regularly examines the Group's risk management and internal control issues, reviews the half-yearly information and annual report on internal control and risk measurement and monitoring;
- the Group Internal Control Committee (*Comité de contrôle interne Groupe* (CCIG) – chaired by the Chief Executive Officer of Crédit Agricole S.A., four meetings per year): it examines internal control issues common across the Group, looks at cross-functional actions within the Group, approves the annual report and half-yearly information on internal control, and coordinates the three control functions;
- the Group Risk Committee (*Comité des risques Groupe* – GRC) chaired by the Chief Executive Officer of Crédit Agricole S.A.: it approves risk strategies and lending decisions at Crédit Agricole S.A. level, on the advice of the Risk Management function in line with the risk appetite framework approved by the Board of Directors, reviews major risks and sensitive issues, and provides feedback on Group entities' processes and rating models;
- the Asset/Liability and Liquidity Committee – Crédit Agricole Group equity capital (the ALM Committee chaired by the Chief Executive Officer of Crédit Agricole S.A. meets four times per year): it analyses Crédit Agricole Group's financial risks (interest rate, exchange rate, liquidity) and validates the management guidelines for controlling them;
- the Group Compliance Management Committee (*Comité de management de la conformité Groupe* – CCMG) – chaired by the Chief Executive Officer of Crédit Agricole S.A. – minimum four meetings per year): it defines the Group's Compliance policy, examines all draft compliance-related standards and procedures, prior to their implementation, examines all significant irregularities and approves corrective measures, makes all decisions related to remedial action for deficiencies, takes note of the main compliance-related conclusions of audits conducted, approves the annual compliance report;
- the Group Security Committee (*Comité sécurité Groupe* – CSG), chaired by the Deputy General Manager in charge of Operations and Transformation is a decision-making committee that defines the strategy and assesses the Group's level of control in the following four areas: business continuity plans, data protection, security of people and property and IT systems security. It reports to the Executive Committee;
- the Group Risk Monitoring Committee chaired by the Chief Executive Officer of Crédit Agricole S.A. is a committee that reviews loans where the level of risk is deteriorating significantly. It also examines as early as possible warnings regarding risks of all types reported by the business lines or control functions that may have a negative impact on the Group's profile or level of cost of risk.

Main Group-level committees dealing with risk



(1) Committee organised by the Crédit Agricole S.A. Executive Committee.
(2) Committee that reports to the Crédit Agricole Group Risk Committee.

In addition, each operating entity of the Crédit Agricole Group defines its own risk appetite framework and sets up a Risk Management and Permanent Controls function. Accordingly, within each business line and legal entity:

- a Permanent Controls and Risk Management Officer (*Responsable du Contrôle permanent et des risques* – RCPR) is appointed;
- the RCPR supervises all the last-line control units within their areas of responsibility, covering oversight and permanent control of risks falling within the remit of the relevant business line; and
- has access to appropriate human, technical and financial resources. RCPRs must be provided with the information required by their role and have systematic and permanent access to any information, document, body (Committees, etc.), tools or even IT systems across their entire area of responsibility. They are associated with entity projects far enough in advance to be able to play their role effectively.

This principle of decentralising the Risk management function to operating entities aims to ensure that the business lines' risk management and permanent controls systems operate efficiently.

Crédit Agricole Group risk management is also reliant on a certain number of tools which enable the DRG and the Group's executive bodies to fully comprehend the risks that present themselves:

- a robust IT and global risk consolidation system, within the trajectory defined by the Basel Committee on banking controls for global systemic institutions (BCBS 239);
- generalised use of stress testing methodologies in credit, financial or operational risk procedures of the Crédit Agricole Group;
- formalised and up-to-date control standards and procedures, which define lending systems, based on an analysis of profitability and risks, monitoring of geographical, individual and sectoral concentrations, as well as limits on interest rate, foreign exchange and liquidity risks;
- a recovery plan for the Crédit Agricole Group is updated on an annual basis, in accordance with the provisions of EU Directive 2014/59 of 15 May 2014, which establishes a framework for the recovery and resolution of credit institutions.

Risk culture

The risk culture is spread right the way across the Crédit Agricole Group, *via* diverse and effective channels:

- career and talent Committees within the Risk Management business line, which plan the succession to key posts, facilitate the mobility of both men and women with the relevant expertise and thus enhance their future career paths by diversifying their skill sets;
- highly valued careers and experience sought after by other business sectors as a result of time spent within the Risk Management business line;
- a range of training on risk comprising modules tailored to the needs of employees within and outside the Risk Management business line. This includes awareness training for all Group employees with, in particular, an e-learning component, to better understand the risks inherent in the bank's business lines;
- communication efforts to foster the spreading of the risk culture, under way since 2015. They are designed to increase the knowledge and involvement of all employees, in order to turn risk into a day-to-day advantage.

Consolidated risk monitoring

Every quarter, the Board of Directors' Risk Management Committee and the Group Risk Management Committee examine the risk dashboard produced by the Group Risk Management and Permanent Controls department. The dashboard provides a detailed review of the Group's risk position across all business lines and on a consolidated basis.

The Group's consolidated alert procedures are coordinated by the Risk Monitoring Committee by reviewing all the risk alerts centralised by the Group Risk Management department.

2.2 STRESS TESTING

Stress tests, crisis simulations and resistance tests, form an integral part of the Crédit Agricole Group's risk management system. Stress tests play a role in proactive risk management, the assessment of capital adequacy and meeting the regulatory requirements. In this regard, by measuring the economic, accounting or regulatory impact of severe but plausible economic scenarios, stress testing provides a measure of the resilience of a portfolio, business, entity or of the Group used as inputs for the ICAAP and the Risk Appetite. Stress testing covers credit, market and operational risks as well as liquidity risk and risks related to interest rates and exchange rates. Stress testing used to manage the Crédit Agricole Group risks involves a range of different exercises.

Different types of stress tests

- **Using stress testing for proactive risk management:** specific exercises that are recurring or carried out upon request are performed centrally to supplement and enhance the various analyses performed to properly monitor risks. This work is presented to Executive Management at Group Risk Management Committee Meetings. In this respect, stress testing focused on market risk or liquidity risk is periodically undertaken.

  In the case of credit risk, stress tests were performed in 2017 to measure the risk stemming from economic changes in certain major Group risks. The exercises underpin the decisions taken by the Group Risk Management Committee on aggregate exposure limits.
- **Budget stress testing or ICAAP stress testing:** (Internal Capital Adequacy and Assessment Process): the Crédit Agricole Group undertakes an annual exercise as part of the budgetary process, with the results of this stress testing being incorporated into the ICAAP. It plays a part in capital requirements planning and makes it possible to estimate the Group's profitability over a three-year period, under various economic scenarios. The goal of this stress testing in the budgetary process and in ICAAP is to measure the effects and the sensitivity of their results of economic scenarios (central – baseline and stressed – adverse) on the businesses, entities and the Group as a whole and also the sensitivity of their results. It is necessarily based on an economic scenario (change in a series of economic variables) from which the impact on the various risks and geographic regions are determined. This scenario is supplemented to reflect operational risks and the risk of improper conduct.

  The goal of this exercise is to estimate a solvency ratio by measuring the impact on the income statement (cost of risk, interest margin, fees and commission, etc.), risk-weighted assets and own funds and to compare it against the Group's tolerance and capacity thresholds.
- **Regulatory stress testing:** this stress testing encompasses all requests from the ECB, the EBA or other supervisor.
- In 2018, the Group was particularly successful in managing the global stress organised by the EBA. In this regard, the Crédit Agricole Group was among the leading European systemic banks in terms of the CET1 solvency ratio level in the stress scenario at the end of 2020.

Governance

In line with the guidelines of the EBA (European Banking Authority), the stress test programme for the Group and major entities clearly details the governance and responsibilities of each party involved in the stress testing encompassing credit, market, operational and liquidity risks as well as structural risks related to interest rates and exchange rates.

The scenarios used in the ICAAP processes, Risk Appetite or for regulatory purposes are prepared by the Economic Department (ECD) and are presented to the Board of Directors. These economic scenarios show central and stressed fluctuations in macroeconomic and financial variables (GDP, unemployment, inflation, interest rates and exchange rates, etc.) for all countries to which the Group is exposed.

2.3 INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

Crédit Agricole Group's internal control organisation reflects an architecture in line with legal and regulatory requirements, as well as the recommendations of the Basel Committee.

The internal control system and procedures are defined within the Crédit Agricole Group as all systems designed to control activities and risks of all kinds and to ensure regularity (in the sense of compliance with laws, regulations and internal standards), safety and efficiency of operations, in accordance with the references presented in section 1 below.

The internal control system and procedures are characterised by the objectives assigned to them:

- application of Executive Management instructions and guidelines;
- financial performance, through the efficient and appropriate use of the Group's assets and resources, as well as protection against the risk of loss;
- comprehensive, accurate and regular knowledge of the data needed for decision making and risk management;
- compliance with legal and regulatory requirements and internal standards;
- prevention and detection of fraud and errors;
- accuracy, completeness of accounting records and the timely preparation of reliable accounting and financial information.

These procedures have, nonetheless, the inherent limitations of any internal control system, due in particular to technical or human failures.

In accordance with the principles in force within the Group, the internal control system applies over a broad scope aimed at supervising and controlling activities, as well as measuring and monitoring risks on a consolidated basis. This principle, applied by each entity of Crédit Agricole S.A. and its subsidiaries to its own subsidiaries, makes it possible to apply the internal control system according to a pyramidal logic and to all entities. The system implemented by Crédit Agricole S.A., which is in line with the standards and principles set out below, is thus deployed in a manner adapted to the different business lines and risks at each of the Crédit Agricole Group's levels in order to best meet the regulatory obligations specific to banking activities.

The resources, tools and reports implemented in this normative environment provide regular information, in particular to the Board of Directors, the Risk Committee, to Executive Management and to management, on the functioning of internal control systems and their adequacy (permanent and periodic control system, reports on risk measurement and monitoring, corrective action plans, etc.).

I. References in terms of internal control

References to internal control are based on the provisions of the French Monetary and Financial Code[(1)], the Order of 3 November 2014 on internal control of companies in the banking, payment services and investment services sector subject to control by the French Regulatory and Resolution Supervisory Authority (*Autorité de contrôle prudentiel et de résolution* – ACPR), the General Regulation of the AMF and the recommendations on internal control, risk management and solvency issued by the Basel Committee.

These national and international standards are supplemented by Crédit Agricole's own internal standards:

- a corpus of communications of a permanent, regulatory nature (external regulations and internal Group rules) and of mandatory application, relating in particular to accounting (Crédit Agricole's accounting plan), financial management, risks and permanent controls, applicable to the entire Crédit Agricole Group;
- Code of Conduct of the Crédit Agricole Group;
- recommendations of the full Committee on Internal Oversight of the Regional Banks;
- the aggregate of "procedural notes", applicable to Crédit Agricole S.A. relating to organisation, operation or risks. In this context, Crédit Agricole S.A. adopted a set of procedural notes in 2004 to monitor compliance with laws and regulations. This procedural system has since been adapted to regulatory changes and deployed in the Group entities, particularly in the areas of financial security (prevention of money laundering, fight against terrorist financing, freezing of assets, compliance with embargoes, etc.) or detection of malfunctions in the application of laws, regulations, professional standards and standards of conduct, for example. The procedural notes are updated regularly, as necessary, in particular in the light of the changes in regulations and in the scope of supervision on a consolidated basis.

II. Principles for the organisation of the internal control system

In order to ensure that internal control systems are effective and consistent between Crédit Agricole Group's various organisational levels, the Crédit Agricole Group has adopted a set of common rules and recommendations based on the implementation of and compliance with fundamental principles.

Thus, each entity of the Crédit Agricole Group (Regional Banks, Crédit Agricole S.A., subsidiaries of credit institutions or investment firms, insurance companies, other, etc.) must apply these principles at its own level.

Fundamental principles

The organisational principles and components of the internal control systems of Crédit Agricole S.A., which are common to all Crédit Agricole Group entities, include obligations in terms of:

- informing the supervisory body (risk strategies, limits set on risk taking, internal control activity and results, significant incidents);
- direct involvement of the management body in the organisation and operation of the internal control system;
- exhaustive coverage of activities and risks, liability of all actors;
- a clear definition of tasks, effective separation of engagement and control functions, formalised and up-to-date delegations;
- formalised and updated standards and procedures.

(1) Article L. 511-41.

These principles are complemented by:

- risk measurement, monitoring and control systems: credit, market, liquidity, financial, operational (operational processing, quality of financial and accounting information, IT processes), non-compliance and legal risks;
- a control system, as part of a dynamic and corrective process, including permanent controls carried out by the operational units or by dedicated employees, and periodic controls (carried out by the units of the Group Control and Audit department or by the Audit units);
- the adoption of the Group's compensation policies (following the deliberations of the Board of Directors of 9 December 2009 and 23 February 2011) and internal control procedures – in accordance with applicable national, European or international regulations, in particular those relating to Capital Requirements Directive 4 (CRD 4), the AIFM, UCITS V and Solvency 2, the provisions relating to the Volcker Rule, the Banking Separation Act and MiFID, as well as the professional banking recommendations relating to, on the one hand, the adequacy between the compensation policy and the risk control objectives, the adequacy between the compensation policy and the risk control objectives, and on the other hand the compensation of the members of the executive bodies and that of the risk takers (see Part I of this report).

System monitoring

Since the amendments to Regulation 97-02 on internal control relating to the organisation of control functions, elements included in the decree of 3 November 2014 repealing the regulation became effective, an obligation has been imposed on each entity or business line manager, each manager, each employee and each Group body to be able to report and justify, at any time, the proper control of its activities and the risks involved, in accordance with the standards for the exercise of banking and financial professions, in order to ensure the long-term security of each activity and each development project and to adapt the control measures to be implemented to the intensity of the risks incurred.

This requirement is based on organisational principles and an architecture of responsibilities, operating and decision-making procedures, controls and reporting to be implemented in a formal and effective manner at each level of the Group: central functions, business lines, subsidiaries, operational units and support functions.

Group Internal Control Committee

The Internal Control Committee of the Crédit Agricole Group and of Crédit Agricole S.A., the umbrella body for steering the systems, met regularly under the chairmanship of the Chief Executive Officer of Crédit Agricole S.A.

The objective of this Committee is to strengthen the transversal actions to be implemented within the Group. Its purpose is to examine internal control issues common to the entire Group (Crédit Agricole S.A., subsidiaries of Crédit Agricole S.A., Regional Banks, common resource structures) and to ensure the consistency and effectiveness of internal control on a consolidated basis. The Internal Control Committee, a decision-making body with binding decisions, is composed of Crédit Agricole S.A. employee executives. As such, it is distinguished from the Risk Committee, which is a division of the Board of Directors, and is responsible for coordinating the three control functions: Audit-Control, Risks, and Compliance.

Three functions operating throughout the Group

The Head of the Group Risk Management department, the Head of the Group Control and Audit department and the Head of Group Compliance report directly to the Chief Executive Officer of Crédit Agricole S.A. and have access to the Risk Committee and the Board of Directors of Crédit Agricole S.A.

In addition, under the Decree of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector that are subject to the supervision of the French Regulatory and Resolution Supervisory Authority, the Group Chief Risk Officer has been designated as the person in charge of risk management for Crédit Agricole S.A. as well as for the Crédit Agricole Group.

The audit functions are responsible for supporting the business lines and operational units to ensure the regularity, safety and efficiency of operations. In this capacity they carry out:

- the management and control of credit, market, liquidity, financial and operational risks by the Group Risk Management department, which is also responsible for the ultimate control of accounting and financial information and for monitoring deployment by the Group IT Security Officer of information systems security and business continuity plans;
- the prevention and control of non-compliance risks by the Group Compliance department, which ensures in particular the prevention of money laundering, the fight against terrorist financing, the prevention of fraud, compliance with embargoes and asset freezing obligations;
- independent and periodic control of the proper functioning of all entities of the Crédit Agricole Group by the Group Control and Audit department.

In addition to the involvement of the various control functions, the other central functions of Crédit Agricole S.A. and its directions divisions and business lines contribute to the implementation of internal control systems on a consolidated basis, whether within Specialised Committees or through actions to standardise procedures and centralise data.

Organised as a business line, the Legal Affairs department has two main objectives: to control legal risk, which can give rise to disputes and liabilities, whether civil, disciplinary or criminal, and to provide the legal support needed by entities to enable them to carry out their activities, while controlling legal risks and minimizing associated costs.

With regard to Crédit Agricole S.A. and its subsidiaries

The functions, departments and business lines are themselves supported by decentralised mechanisms within each of the legal entities, which are first-tier subsidiaries and are part of the consolidated supervisory scope of Crédit Agricole S.A., and include:

- quarterly Internal Control Committees, which are decision-making and binding in nature, consisting of the Chief Executive Officer of the entity and representatives of the control functions of the entity and of Crédit Agricole S.A., responsible in particular for steering the internal control system implemented in the entity, examining the main risks to which the entity is exposed, critically evaluating the internal control systems and the audit action, monitoring missions and taking any necessary corrective measures;
- specialised Committees that are specific to each entity;
- a network of correspondents and authorities dedicated to each business line.

With regard to the Regional Banks of Crédit Agricole

For the Regional Banks, the application of all the Group's rules is made possible by the dissemination of national recommendations on internal control by the plenary Internal Control Committee of the Regional Banks and by the activity of the central control functions of Crédit Agricole S.A. The Plenary Committee is responsible for strengthening the management of the Regional Banks' internal control systems and is composed of Chief Executive Officers, senior managers and heads of the Regional Banks' audit functions, as well as representatives of Crédit Agricole S.A. Its activities are extended through regular regional meetings and working and information meetings between the heads of the audit functions of Crédit Agricole S.A. and their counterparts in the Regional Banks.

The role of Crédit Agricole S.A. as a corporate centre requires it to be very active and vigilant in terms of internal control. In particular, specific monitoring of the risks and controls of the Regional Banks is carried out at Crédit Agricole S.A. by the Steering and Coordination unit of the Risks France functions of the Group Risk Management department and by the Group Compliance department.

Role of the Board of Directors

The Board of Directors of Crédit Agricole S.A. is aware of the Company's general organisation and approves its internal control system. It approves the Group's general organisation and internal control system and defines the Group's risk appetite in an annual statement. It is informed of the organisation, activity and results of internal controls. Other than the information it regularly receives, it has access to the Annual Report and the half-yearly presentation on internal controls, such in accordance with banking regulations and standards defined by Crédit Agricole S.A. The Chairman of the Board of Directors of Crédit Agricole S.A. receives detailed summary notes presenting the conclusions of the Group Control and Audit department's missions.

The Board is informed, through the Risk Committee, of the main risks incurred by the Company and the significant incidents revealed by the internal control and risk management systems.

The Chairman of the Risk Committee of Crédit Agricole S.A. reports to the Board on the work of the Committee, and in particular on the annual report on internal controls and on risk measurement and monitoring. By the date of the General Meeting, the Annual Report will have been presented to the Risk Committee, forwarded in due course to the French Regulatory and Resolution Supervisory Authority (*Autorité de contrôle prudentiel et de résolution* – ACPR), and to the Statutory Auditors. It will also have been presented to the Board of Directors.

Role of the Chief Executive Officer in internal control

The Chief Executive Officer (CEO) defines the general organisation of the Company and ensures its efficient implementation by qualified and competent persons. He is directly and personally involved in the organisation and operation of the internal control system. In particular, the CEO sets out the roles and responsibilities for internal control and allocates appropriate resources to it.

The CEO ensures that the risk strategies and limits are compatible with the financial position (equity levels, results) and the strategies adopted by the Board of Directors, as part of the Group's Risk Appetite Statement.

The CEO ensures that risk identification and measurement systems, adapted to the Company's activities and organisation, are adopted. The CEO also ensures that the main information from these systems is regularly reported to it.

The CEO personally assures that the internal control system is constantly monitored to ensure its adequacy and effectiveness. The CEO is informed of any malfunctions that the internal control system would identify and of the corrective measures proposed. In this respect, the Chief Executive Officer receives detailed summary notes presenting the conclusions of the Group Control and Audit department's missions.

III. Specific internal control systems and risk control and monitoring systems of Crédit Agricole S.A.

Crédit Agricole S.A. implements processes and mechanisms for measuring, monitoring and controlling its risks (counterparty, market, operational, financial and other risks) adapted to its activities and organisation, which are an integral part of the internal control system and are periodically reported to the management body, the supervisory body and the Risk Committee, in particular *via* reports on internal control and risk measurement and monitoring.

Detailed information on risk management is presented in the chapter "Risk Management" and in the notes to the consolidated financial statements dedicated to these (Note 3).

Risk Management and Permanent Controls function

The Risk Management business line, created in 2006 pursuant to amendments to Regulation 97-02 (repealed and replaced by the Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Regulatory and Resolution Supervisory Authority.

The Risk Management business line is responsible for both the overall management and the permanent control of the Group's risks: credit, financial and operational risks, in particular those related to the quality of financial and accounting information, physical security and information systems, business continuity and the supervision of outsourced essential services.

Risk management is based on a Group system whereby the strategies of the business lines, including in the event of the launch of new activities or new products, are the subject of a risk notice, and risk limits are formalised in the risk strategies for each sensitive entity and activity. These limits are reviewed at least once a year or in the event of a change in an activity or risks and are validated by the Group Risk Committee. They are accompanied by cross-Group limits, particularly on major counterparties. The mapping of potential risks, the measurement and monitoring of proven risks are regularly adjusted with regard to the activity.

Audit plans are adapted to changes in the activity and the risks, to which they are proportionate.

The business line is placed under the responsibility of the Group Chief Risk Officer, who is independent of any operational function and reports to the Group Chief Executive Officer. It brings together the cross-functional functions of Crédit Agricole S.A. (Group Risk Management department) and the decentralised Risk Management and Permanent Control functions, as close as possible to the business lines, at the level of each Group entity, in France or abroad. The Risk Management business line employed nearly 2,900 people at end-2018 (in full-time equivalents) within the scope of the Crédit Agricole Group.

The business line operates through structured governance bodies, including the Internal Control Committees, the Group Risk Committee, under which executive management approves the Group's strategies and is informed of the level of its risks, the Regional Banks' Risk Monitoring Committee, the Group Safety Committee, the Standards and Methodology Committee, the Basel Recommendations Steering Committee, the Business Line Monitoring Committees, which include the Group Risk department and subsidiaries at predefined intervals, and various Committees in charge of rating systems and information systems. The Group Risk Monitoring Committee, chaired by the Group Chief Executive Officer, meets twice a month and is responsible for monitoring the emergence of risks in order to identify appropriate guidelines.

Central Risk Management and Permanent Controls functions of Crédit Agricole S.A.

Within Crédit Agricole S.A., the Group Risk department is responsible for the overall management of the Group's risks and permanent control systems.

Global Group risk management

The consolidated measurement and management of all Group risks is carried out centrally by the Group Risk department, with units specialised by risk type that define and implement consolidation and risk management measures (standards, methodologies, information systems).

The Group Risk Management system also includes a "business risk management" function in charge of global and individual relations with each of the subsidiaries of Crédit Agricole S.A. The supervision of the risks of the Regional Banks is carried out by a specific department within the Group Risk Management department.

Group risks are monitored by the business line risk management units, in particular through the Group Risk Committee and the Regional Banks' Risk Monitoring Committee.

It is also carried out through an alert procedure applied to all entities and which allows the most significant risks to be presented to a Management Committee on a bi-monthly basis (Group Risk Monitoring Committee).

Crédit Agricole S.A. measures its risks in an exhaustive and precise manner, namely by integrating all categories of commitments (on- and off-balance sheet) and positions, consolidating commitments on companies belonging to the same group, aggregating all portfolios and distinguishing risk levels.

This is supplemented by *ad hoc* measurements of risk profile distortion under stress scenarios and a regular assessment based on various scenario types.

In addition to regulatory exercises, from an internal management viewpoint, stress tests are carried out at least once a year by all entities. This work is performed in particular as part of the annual budgetary process to strengthen the practice of measuring the sensitivity of the Group's risks and income statement and its various components to a significant downturn in the economy. This global stress testing is supplemented by sensitivity tests on the main portfolios.

Risk monitoring by Crédit Agricole S.A., its subsidiaries and the Regional Banks on an individual or collective basis requires a system to monitor the overruns and their regularisation, the operation of accounts, the correct classification of receivables in accordance with current regulations (in particular impaired loans), the adequacy of the level of provisioning for risks under the supervision of the Risk Committees, and the periodic review of the main risks and portfolios, in particular for sensitive business.

In a context of contrasting and uncertain risk, Crédit Agricole S.A. pursues a policy of actively reviewing the risk policies and strategies applied by its subsidiaries. Moreover, the Group's main cross-functional portfolios (housing, energy, professionals and farmers, consumer finance, private equity, etc.) have been analysed by the Group Risk Committee (CRG). The scope of risks covered in the risk strategies reviewed by the CRG also includes model risks, operational risks and conglomerate risks.

Alert and escalation procedures are in place in the event of a prolonged anomaly, depending on its materiality.

Permanent control of operational risks

The Group Risk department coordinates the Permanent Control system (definition of key control indicators by type of risk, deployment of a single software platform integrating the assessment of operational risks and the results of permanent controls, organisation of reporting of control results to the various consolidation levels concerned within the Group).

Decentralised Risk Management and Permanent Controls functions, at the level of each of the Group's business lines

Within Crédit Agricole S.A.

The function operates using a hierarchical organisation, with a Risk Management and Permanent Controls Officer (RCPR) appointed at each subsidiary or business line. The business line RCPR reports hierarchically to the Group Chief Risk Officer, and functionally to the management body of the relevant business line. This positioning ensures the independence of the local Risk Management and Permanent Controls departments.

Each subsidiary or business line, under the responsibility of its RCPR, obtains the necessary resources to ensure the management of its risks and the compliance of its permanent control system, in order to implement a full-fledged function (exhaustive and consolidated vision of risks, likely to guarantee the sustainability of the entity over its entire scope of supervision on a consolidated basis).

The relationship between each subsidiary or business line and Group Risk department is organised around the following main elements:

- implementation by each subsidiary or business line of the Group's cross-functional standards and procedures, developed by the Group Risk department;
- determination for each subsidiary or business line of a risk strategy, validated by the Group Risk Committee on the advice of the Group Risk department, specifying in particular the entity's overall commitment limits;
- principle of delegation of powers from the Group RCPR to the business line RCPRs that are hierarchically linked to it in the performance of their duties, subject to transparency and alerting the latter to the Group Risk Management department.

Within the scope of the Regional Banks

Banking regulations relating to risks apply to each of the Regional Banks individually. Each is responsible for its own permanent risk and control system and has a Risk Management and Permanent Controls Officer – who reports to its Chief Executive Officer – in charge of risk management and permanent controls. The RCPR may also be responsible for the duties of the Compliance Officer. If this is not the case, the Compliance Officer reports directly to the Chief Executive Officer.

Moreover, as the corporate centre, Crédit Agricole S.A., *via* the Group Risk department, consolidates the risks carried by the Regional Banks and manages the Risk Management business line in the Regional Banks, in particular by disseminating the necessary standards to them, in particular for the implementation of a permanent control system at Group level.

In addition, the significant credit risks taken by the Regional Banks are submitted to Foncaris, a credit institution wholly owned by Crédit Agricole S.A., for partial guarantee. The obligation imposed on the Regional Banks to request a counter-guarantee from Foncaris on their main transactions (above a threshold defined between the Regional Banks and Foncaris) thus provides the corporate centre with an effective tool enabling it to assess the associated risk before accepting it.

Internal control system for business continuity and information system security plans

The internal control system implemented makes it possible to provide the Group's security governance bodies with periodic reporting on the position of the main entities with regard to risk monitoring relating to business continuity plans and information system security.

Business continuity plans

With regard to IT backup plans, the IT productions of most of the subsidiaries of Crédit Agricole S.A. and of the 39 Regional Banks hosted on the Greenfield secure bi-site structurally benefit from backup solutions from one site to another.

These solutions are now being tested on a recurring basis for Crédit Agricole S.A. and its subsidiaries. The Regional Banks essentially follow the same process in terms of testing.

The subsidiaries of Crédit Agricole S.A. whose IT is not managed by Greenfield have IT backup solutions that are regularly tested with reasonable assurance of restart in the event of a disaster.

With regard to user back-up plans, the Group has the Eversafe solution, which provides high security in the event of the unavailability of buildings, campuses or even neighbourhoods in the Paris region. This solution is operational and proven, with two sites dedicated to the Group. The Group is thus equipped with workspaces available in the event of a major disaster in the Paris region.

In addition, and in accordance with Group policy, most entities are able to cope with a massive viral attack on workstations by focusing on the use of user backup sites.

Information Systems Security

The Crédit Agricole Group continued to reinforce its resilience to the scale of IT risks, particularly cyber threats, in terms of organisation and projects.

Group security governance has been implemented with a Group Security Committee (CSG) which is the decision-making and executive body that defines the Group's security strategy by domain, integrating the orientations of Group security policies into it, determines Group security projects, supervises the execution of the strategy on the basis of indicators for managing Group projects and applying policies, and finally assesses the Group's level of control in the four areas falling within its competence: business continuity plan, data protection, personal and property security and information system security.

The Information Systems Risk Management (*Pilote des risques systèmes d'information* – PRSI) and Chief Information Security Officer (CISO) functions are now deployed in most of the Group entities: the PRSI, which is part of the RCPR (Permanent Controls and Risk Management Officer), consolidates the information enabling it to take a second look.

Internal control system for accounting and financial information

In keeping with the applicable rules within the Group, the organisational principles and responsibilities of the Group Finance department functions are set out in a procedure.

The Finance function is organised as a business line within Crédit Agricole S.A. The Group's business line and/or subsidiary heads report hierarchically to the head of the business line or subsidiary and functionally to the Deputy General Manager, Chief Financial Officer.

At business line/subsidiary level, the Finance department acts as a relay among subsidiaries, circulating the Group's principles with respect to standards and information system organisation, in line with each business line's special attributes. In some cases, it also constitutes an intermediate level for preparation of the business line's accounting and business management information. Each Risk Management and Permanent Controls department in a business line or subsidiary within the Group is also responsible for producing the risk data used to prepare financial information and for implementing controls to ensure that this information is accurately reconciled to accounting data.

Each business line and/or entity is equipped with the means to ensure the quality of the accounting, management and risk data transmitted to the Group in line with consolidation requirements, in particular, with regard to the following aspects: compliance with the standards applicable to the Group, consistency with the parent company financial statements approved by its supervisory body, reconciliation of accounting and management reporting figures.

Within the Group Finance department, the reported accounting and financial information is prepared by three main functions: Accounting, Management Control and Financial Communication.

Accounting

The main purpose of the Accounting function is to draw up the parent company financial statements of Crédit Agricole S.A., the consolidated financial statements of Crédit Agricole S.A., its subsidiaries and Crédit Agricole Group, including segment information for Crédit Agricole S.A. based on the definition of the business lines for financial reporting purposes and in compliance with IFRS 8. To fulfil this purpose, the Accounting function, in accordance with applicable regulations, defines and circulates the accounting standards and principles that apply to the Group. It oversees the accounting framework, lays down the rules governing the architecture of the accounting information and regulatory reporting system, and manages the accounting processes for consolidation of the financial statements and regulatory reporting.

Management Control

For the preparation of financial information, the Group Management Control function, within the Financial Management department, defines the rules for allocating economic capital (definition, allocation policy), consolidates, prepares and quantifies the budget and the Medium-Term Plan for Crédit Agricole S.A., and monitors the budget. To meet this objective, Group Management Control defines the management control procedures and methods and the structure and management regulations for the Group management control system.

Financial Communication

Crédit Agricole S.A.'s Financial Communication function ensures message consistency across all investor categories. It is responsible for information published in press releases and presentations to shareholders, financial analysts, institutional investors, rating agencies, as well as information contained in documents subject to approval by the French financial market authority (AMF). In this respect, working under the responsibility of the Chief Executive Officer and Crédit Agricole S.A. Group's Deputy General Manager, Chief Financial Officer, the Financial Communication function provides the materials used as the basis for presentations of Crédit Agricole S.A. results, financial structure and changes in business lines, as needed to enable third parties to formulate an opinion, particularly on the Group's financial strength, profitability and outlook.

Procedures for the preparation and processing of accounting and financial information

Each Group entity has responsibility, vis-à-vis the Group and the regulatory authorities to which it reports, for its own financial statements, which are approved by its supervisory body. Depending on the entity's size, these financial statements are subject to prior review by the entity's Audit Committee, if it has one.

As for the Crédit Agricole Regional Banks, once their financial statements are drawn up, they are approved by the Accounting department of Crédit Agricole S.A.; this is one of its responsibilities as corporate centre. The Crédit Agricole Group's consolidated financial statements are submitted to the Audit Committee and approved by the Board of Directors of Crédit Agricole S.A.

Most published financial information is based on accounting data and on management and risk data.

Accounting data

Figures for each individual entity are drawn up in accordance with the accounting standards applicable in the country in which the entity operates. For the purposes of preparing the Group's consolidated financial statements, local financial statements are restated to be conforming with IFRS policies and principles, as adopted by Crédit Agricole S.A.

Management data

Management data is produced by the Group Finance department or the Group Risk Management department. The data are reported in anticipation of definitive accounting data in accordance with the same definition and granularity standards and are used as inputs to the Group's internal management reporting.

Furthermore, external sources of information (such as the European Central Bank and Banque de France) may be used for management data, particularly for calculating market shares.

In accordance with AMF and ESMA (European Securities and Markets Authority) recommendations, the use of management data for preparing published financial information must comply with the following guidelines:

- classification of the types of financial information published: historical information, pro forma data, projections or trends;
- a clear description of the sources from which the financial information was drawn. When published data are not extracted directly from accounting information, the sources and definition of calculation methods are mentioned;
- comparability of figures and indicators over time, which implies ongoing use of the same sources, calculation methods and methodologies.

Description of the Permanent Accounting Control system

The Group's Permanent Accounting Controls function's objective is to provide adequate coverage of major accounting risks that can alter the quality of accounting and financial information. This function is provided by the Accounting Control department, which reports to the Group Risk Management department. The Group's Permanent Accounting Controls function is based on a network of accounting controllers in the subsidiaries and Regional Banks where it operates its support and oversight missions.

The unit has the following roles in this area:

- definition and dissemination of standards pertaining to the organisational and operational principles of permanent accounting controls within the Crédit Agricole Group;
- to prepare notes on methodology regarding new accounting standards or regulatory changes;
- to support, oversee and coordinate the permanent accounting control systems implemented within the Group's subsidiaries and Regional Banks;
- to issue assessments of accounting risks for entities presenting a risk management strategy to the CRG, based on the analysis of the entities' permanent accounting control processes.

Work conducted by the Permanent Accounting Control team dedicated to the Finance department of Crédit Agricole S.A. showed a generally satisfactory level of maturity in the processes. Ad hoc studies within Crédit Agricole S.A.'s accounting scope led to the recommendation of action plans to better manage the risks linked to the control process, which are now being monitored.

Notes on methodology were disseminated in 2019; they cover:

- the new IFRS 16 standard applicable as from 1 January 2019;
- the Sapin II law for which one pillar concerns accounting control procedures.

A number of methodologies were updated in 2018, including the accounting risk alert procedure, which is now applicable to the entire Crédit Agricole Group.

Relations with the Statutory Auditors

The Registration Document, its updates, the securities notes and prospectuses prepared for new debt or share issues, which contain comprehensive financial information, are subject to approval by or registration with the AMF.

In accordance with applicable professional standards, the Statutory Auditors perform those procedures they deem appropriate on published accounting and financial information:

- audit of the parent company and consolidated financial statements;
- review of interim consolidated financial statements;
- read through of quarterly financial information and materials used as a basis for presenting financial information to financial analysts.

As part of the duties assigned to them by law, the Statutory Auditors submit to Crédit Agricole S.A.'s Audit Committee their overall work programme, the various spot checks they have carried out, the conclusions of their work on the accounting and financial information they have reviewed in carrying out their assignment, as well as any significant weaknesses of the internal controls, with regards to the procedures used for the preparation and processing of accounting and financial information.

Non-compliance risk prevention and controls

See part 2.9 "Non-compliance risks" below.

Periodic control

The Group Control and Audit department, which reports directly to the Chief Executive Officer of Crédit Agricole S.A., is the highest level of control within the Crédit Agricole Group. Its sole responsibility is to ensure the Crédit Agricole Group's periodic control through the missions it carries out, the management of the Crédit Agricole S.A.'s Audit-Control function, which is hierarchically attached to it, and the management of the internal audit units of the Regional Banks.

Based on an updated risk mapping approach resulting in an audit cycle generally lasting between two and five years, it conducts on-site and documentary audits in the Regional Banks, units of Crédit Agricole S.A. and its subsidiaries, including when they have their own internal audit and control units, as part of a coordinated approach to audit plans.

These periodic audits include a critical review of the internal control system put in place by the audited entities. These procedures are designed to provide reasonable assurance on the effectiveness of the system in terms of operational safety, risk control and compliance with external and internal rules.

Within the audited entities, they consist in particular in ensuring compliance with external and internal regulations, assessing the safety and effectiveness of operating procedures, ensuring the adequacy of systems for measuring and monitoring risks of all kinds and verifying the reliability of accounting information.

Thanks to its specialised audit teams, the Group Control and Audit department conducts several IT missions each year on the information systems of the Group entities as well as current issues, largely related to IT security, or in the field of models in the context of calculating the entities' or the Group's capital requirements. Finally, as required by regulations, the Group Control and Audit department carries out audits of outsourced essential services of interest to the Group or to the financial community.

The Group Control and Audit department also provides a centralised monitoring of the Audit-Control business line for all subsidiaries and leads the periodic control of the Regional Banks, thereby enhancing the effectiveness of controls by harmonising audit practices at their best level, to ensure the security and regularity of operations in the various Group entities and to develop common areas of expertise. At end-2019, the business line had around 1,215 employees, full-time equivalent, within Crédit Agricole S.A. (including the Group Control and Audit department) and the Regional Banks.

Joint audit engagements of the Group Control and Audit department and the audit departments of subsidiaries are regularly carried out, which contributes to exchanges on best audit practices. Particular importance is given to thematic and transversal investigations.

In addition, the Group Control and Audit department ensures, within the framework of the Internal Control Committees of the relevant Group subsidiaries – in which the Executive Management, the Head of Internal Audit, the Head of Risk Management and Permanent Controls and the Compliance Officer of each entity participate – that audit plans are properly carried out, that risks are properly controlled and, more generally, that each entity's internal control systems are adequate.

The engagements carried out by the Control and Audit department of Crédit Agricole S.A., the audit-control units or any external audit (regulatory authorities, external firms where applicable) are subject to a formal monitoring system as part of regulatory controlled monitoring engagements, which are included in the audit plan on a minimum half-yearly basis. For each of the recommendations made at the end of these engagements, the system makes it possible to ensure the progress of the planned corrective actions, implemented according to a precise timetable, according to their priority level, and for the Head of the Group Control and Audit department to exercise, if necessary, the duty to alert the supervisory body and the Risk Committee pursuant to Article 26 b) of the Order of 3 November 2014 on the internal control of companies in the banking, payment services and investment services sector subject to the supervision of the French Regulatory and Resolution Supervisory Authority.

In accordance with Article 23 of the Order, the Head of the Group Control and Audit department reports to the Board of Directors of Crédit Agricole S.A. regarding the performance of the engagements.

2.4 CREDIT RISK

A credit risk is realised when a counterparty is unable to honour its obligations and when the carrying amount of these obligations in the bank's books is positive. The counterparty may be a bank, an industrial or commercial enterprise, a government and its various controlled entities, an investment fund, or an individual person.

Definition of default

The definition of default used in management, which is the same as the one used for regulatory calculations, complies with current regulatory prudential requirements in the various Group entities.

A debtor is, therefore, considered to be in default when at least one of the following conditions has been met:

- a payment is generally more than 90 days past due, unless specific circumstances point to the fact that it is late due to reasons beyond the debtor's control;
- the entity believes that the debtor is unlikely to settle its credit obligations unless it avails itself of certain measures such as enforcement of collateral security right.

The exposure may be a loan, debt security, deed of property, performance exchange contract, performance bond or unutilised confirmed commitment. The risk also includes the settlement risk inherent in any transaction entailing an exchange of cash or physical goods outside a secure settlement system.

Restructured loans

Restructuring as defined by the EBA (forbearance) consists of all changes made to one or more credit agreements, as well as to refinancings, agreed to by virtue of a customer's financial difficulties.

Once the restructuring as defined by the EBA has been carried out, the exposure continues to be classified as "restructured" for at least two years, if the exposure was performing when restructured, and three years if the exposure was in default when restructured. These periods are extended when certain events covered by the Group standards occur (further incidents for example).

In this respect, Group entities have put in place solutions to identify and manage these exposures, tailored to their specificities and to their business lines, depending on the circumstances: based on expert judgement, algorithmic solutions or a combination of these two approaches. These mechanisms also make it possible to satisfy the requirement to produce quarterly regulatory statements on this matter.

The volume of performing exposures in forbearance under the ITS 2013-03 definition are given in the accompanying Note 3.1. The accounting policies and principles applicable to receivables are specified in Note 1.2 to the Group's financial statements.

I. Objectives and policy

Credit risk taking by the Crédit Agricole Group is subject to the risk appetite of the Group and entities and risk strategies confirmed by the Board of Directors and approved by the Group Risk Management Committee, a sub-committee of the Crédit Agricole S.A. Executive Committee chaired by the Chief Executive Officer. Risk strategies are adjusted to each business line and its development plan. They set out overall limits, intervention criteria (types of eligible counterparties, nature and maturity of eligible products, collateral required) and arrangements for delegating decision-making authority. These risk strategies are adjusted as required for each business line, entity, business sector or country. Business lines are responsible for complying with these risk strategies, and compliance is controlled by the Risk Management and Permanent Controls Officers.

In addition, active portfolio management is carried out within the Corporate and Investment Bank and Crédit Agricole Corporate and Investment Bank, in order to reduce the main concentration risks borne by the Crédit Agricole Group. The use of market instruments to reduce and diversify counterparty risks, such as credit derivatives or securitisation mechanisms, enables the Group to optimise the use of its capital. Similarly, potential risk concentration is mitigated by syndication of loans with external banks with outside banks and use of risk hedging instruments (credit insurance, derivatives).

The Group seek to diversify their risks in order to limit their exposure to credit and counterparty risks, particularly in the event of a crisis affecting a particular industry or country. To this end, the Group regularly monitor its total exposures by counterparty, by trading portfolio, by business sector and by country, using different internal calculation methods depending on the type of exposure (see in particular part II.2.2 "Credit risk measurement").

To reduce the risk associated with the deterioration of the quality of its exposure to credit and counterparty risks, the Group may apply a hedging strategy consisting notably of the purchase of credit derivatives (see Credit risks under paragraph II.4.3 "Use of credit derivatives", Market risks under part II.2 "Use of credit derivatives" and Asset and liability management part V "Hedging policy").

When the risk is proven, an individual or portfolio-based impairment policy is implemented.

In particular, with respect to counterparty risk on market transactions, the Group's policy on credit reserves constitution on this type of risk is similar to credit risk, with a credit valuation adjustment (CVA) for sound customers that is economically comparable to a collective provision, and for defaulted counterparties, an individual provision sized in accordance with the derivative instrument position, taking into account the CVA amount already provisioned prior to the default.

In case of default, the impairment is assessed in accordance with the same principles as those governing the credit risk provisioning policy: expected loss amount depending on the derivative instrument rank in the waterfall. But it takes into account the CVA process, with two possible outcomes: either derivatives are left in place (CVA or individual impairment), or they are unwound (individual impairment).

II. Credit risk management

1. General principles of risk-taking

All credit transactions require in-depth analysis of the customer's ability to repay the debt and the most efficient way of structuring the transaction, particularly in terms of security and maturity. This analysis must comply with the risk strategy of the business line or entity concerned and with all limits in force, both individual and aggregate. The final commitment decision is based on an internal rating and is taken by the commitment units or by the Credit Committees, on the basis of an independent opinion given by a representative of the Risk Management and Permanent Controls business line as part of the authorisation system in place. The Group Risk Management Committee and its Chairman constitute the Group's ultimate decision-making authority.

Each lending decision requires a risk-return analysis. For the Corporate and Investment Bank this means an ex ante calculation of the profitability of the transaction.

In addition, the principle of an individual risk limit applies to all types of counterparty, whether corporates, banks, financial institutions, public sector or semi-public sector entities.

2. Risk measurement methods and systems

2.1 Internal rating systems and credit risk consolidation systems

The internal rating systems cover all of the methods, procedures and controls used for assessment of credit risk, rating of borrowers and estimation of losses given default by the borrower. Governance of the internal rating system relies on the Standards and Methodology Committee (*Comité des normes et méthodologies* – CNM), chaired by the Head of Group Risk Management and Permanent Controls, who is responsible for the validation and circulation of risk measurement and control standards and methodologies within the Crédit Agricole Group. In particular, the CNM reviews:

- the rules for identifying and measuring risks, in particular, counterparty rating methods, credit scoring and Basel risk parameter estimates (probability of default, credit conversion factor, loss given default) and related organisational procedures;
- the segmentation between retail customers and large customers, with related procedures such as risk consolidation information system data entry;
- the performance of rating and risk assessment methods by reviewing back-testing results at least once a year;
- the use of ratings (validation of common syntaxes, glossaries and benchmarks).

For retail customers, including loans to individuals (in particular, home loans and consumer finance) and small businesses, each entity is responsible for defining, implementing and substantiating its rating system, in accordance with the Group standards established by Crédit Agricole S.A.

LCL and the consumer finance subsidiaries (Crédit Agricole Consumer Finance) have their own rating systems. Crédit Agricole Regional Banks have shared risk assessment models which are managed at Crédit Agricole S.A. level. Procedures for back-testing the parameters used in calculating the regulatory capital requirements have been defined and are operational in all entities. The internal models used by the Group are based on statistical models established on explanatory behavioural variables (*e.g.* average current account balance) and identifying variables (*e.g.* business sector). The approach taken can be either customer-centred (individual customers, farmers, small businesses and very small enterprises), or product-centred. The estimated one-year probability of default, to which the rating relates, is updated on a yearly basis.

For the large customer category, a single fifteen-grade rating scale has been established on the basis of a segmentation of risk so as to provide a uniform view of default risk "over a full business cycle". It has 13 ratings (A+ to E-) categorising counterparties not in default and two ratings (F and Z) categorising counterparties in default.

Comparison between the Group ratings and the rating agencies

Crédit Agricole Group	A+	A	B+	B	C+	C	C-	D+	D	D-	E+	E	E-
Indicative Moody's rating equivalent	Aaa	Aa1/Aa2	Aa3/A1	A2/A3	Baa1	Baa2	Baa3	Ba1	Ba2	Ba3	B1/B2	B3	Caa/Ca/C
Indicative Standard & Poor's rating equivalent	AAA	AA+/AA	AA-/A+	A/A-	BBB+	BBB	BBB-	BB+	BB	BB-	B+/B	B-	CCC/CC/C
One-year probability of default	0.001%	0.01%	0.02%	0.06%	0.16%	0.30%	0.60%	0.75%	1.25%	1.90%	5.0%	12.00%	20.00%

Within Crédit Agricole Group, the large customer category comprises primarily sovereigns and central banks, corporates, local authorities, specialised financings as well as banks, insurance companies, asset management companies and other financial companies. An internal rating method tailored to each specific risk profile, based on financial and qualitative criteria, is applied to each type of large customer. For large customers, Crédit Agricole Group entities have common internal rating methodologies. Counterparties are rated, at the latest, when they apply for support and the rating is updated with each renewal or upon any event that could affect risk quality. The rating assigned must be approved by a unit independent of the Front Office. The rating is reviewed at least annually. To ensure that each counterparty has a unique Crédit Agricole Group rating, a single Group entity is responsible for rating said counterparty on behalf of all the entities providing it with support.

Whether relating to large customers or retail customers, the rating oversight system implemented by Crédit Agricole S.A., its subsidiaries and the Regional Banks across the entire rating process concerns:

- the rules for identifying and measuring risks, in particular, the methods used;
- the uniformity in the handling of default events on a consolidated basis;
- the proper utilisation of the internal rating methodologies;
- the reliability of data substantiating the internal rating.

The Standards and Methodology Committee, amongst others, ensures that these principles are respected, in particular, when rating methodologies are approved and during annual back-testing.

Furthermore, Crédit Agricole S.A. and its subsidiaries continue to focus on improving the risk-tracking system for:

- the risk management of third parties and groups which is designed to ensure accurate identification of third parties and groups presenting a risk within the entities and to improve cross-functional risk information management on third parties and groups, which is crucial to ensuring rating uniqueness and consistent allocation of exposures to Basel portfolios;
- the closing process, which aims to guarantee the quality of the process of production of the solvency ratio.

The French Regulatory and Resolution Supervisory Authority (ACPR) has authorised the Crédit Agricole Group to use internal rating systems to calculate regulatory capital requirements for credit risk of its retail and large customer portfolios on the greater part of its scope.

Having internal rating systems deployed throughout the Group enables it to implement counterparty risk management based on risk indicators compliant with current regulatory rules. For large customers, the single rating system (identical tools and methods, shared data) which has been implemented for several years now, has helped to improve counterparty monitoring, in particular, for counterparties common to several Group entities. The system has also made it possible to have a common reference framework on which to base standards and procedures, monitoring tools, alert procedures and risk provisioning policies.

Finally, in the Corporate and investment banking businesses, expected loss, economic capital and risk-adjusted return measurements are used in the processes for making loan approval decisions, defining risk strategies and setting risk limits.

2.2 Credit risk measurement

The measurement of credit risk exposures includes both drawn facilities and confirmed unutilised facilities.

To measure counterparty risk on market transactions, Crédit Agricole S.A. and its subsidiaries and the Regional Banks use different types of approaches to estimate the current and potential risk of derivative instruments (such as swaps and structured products).

Crédit Agricole CIB uses an internal methodology to estimate the risk in relation to such instruments, using a net portfolio approach for each customer:

- current risk corresponds to the sum the counterparty would owe in the event of instantaneous default;
- the potential future risk corresponds to the estimated maximum Crédit Agricole CIB's exposure for a given confidence interval.

The methodology used is based on "Monte-Carlo"-type simulations making it possible to assess the risk related to the changes in the market value of a portfolio of derivatives over the derivatives' residual maturity on the basis of a statistical modelling of the change in underlying market parameters.

This model considers the different risk reduction factors, such as the use of offsetting and collateralisation in agreements negotiated with counterparties prior to transactions taking place. It includes also exchanges of collaterals on initial margin for derivative instruments which are not cleared under regulatory thresholds.

Situations of specific risk of unfavourable correlations (risk that an exposure to a derivative is positively correlated with the counterparty's probability of default as a result of a legal tie between this counterparty and the underlying of the derivative) are monitored regularly to identify and integrate such risks in the exposure measurement as recommended by regulations. Situations of general risk of unfavourable correlations (risk that market conditions have a correlated effect on a counterparty's credit quality and derivative exposures with this counterparty) were monitored by means of *ad hoc* exercises in 2019.

The internal model is used to manage internal limits on transactions with each counterparty and to measure Basel 3 Pillar 2 economic capital by determining the average risk exposure (Expected Positive Exposure) across the portfolio.

As allowed by this regulatory framework, the French Regulatory and Resolution Supervisory Authority (ACPR) authorised Crédit Agricole CIB as of 31 March 2014 to use the internal model method to calculate its capital requirements in respect of counterparty risk. The model uses the Effective Expected Positive Exposure (EEPE) and is applied to all derivatives. The same method is used to calculate credit exposure at default for capital requirement purposes to address the risk of credit value adjustment (CVA).

For the calculation of capital requirements for counterparty risk for repo transactions and derivative transactions at its subsidiaries, Crédit Agricole CIB uses the standardised approach.

Credit risk on these market transactions is managed in accordance with rules set by the Group. The policy on setting counterparty risk limits is as described above in part II.1 "Credit risk management – General principles of risk-taking". The techniques used to reduce counterparty risk on market transactions by Crédit Agricole CIB are described in the "Credit risk mitigation mechanisms" paragraph.

The Crédit Agricole Group includes a Credit Valuation Adjustment (CVA) in its calculation of the fair value of derivative assets. This valuation adjustment is described in the accompanying consolidated Note 1.3 on accounting policies and principles and Note 10.2 on information about financial instruments measured at fair value.

The positive gross fair value of the contracts, as well as the gains from the offsetting and the guarantees held, and the net exposure on derivative instruments after the impact of offsetting and guarantees are discussed in the accompanying consolidated Note 6.12 on offsetting financial Assets.

At other Group entities, the base for counterparty risk on market transactions is either calculated by the Crédit Agricole CIB tool under an internal provision of services agreement or based on the regulatory approach.

3. Supervision system of commitments

Rules for dividing and limiting risk exposures, along with specific processes relating to commitments and grant criteria, are used to prevent any excessive concentration of the portfolio and to limit the impact of any underperformance.

3.1 Process for monitoring concentrations by counterparty or group of related counterparties

The consolidated commitments of all Crédit Agricole Group entities are monitored by counterparty and by group of related counterparties. A group of counterparties is a group of French or foreign legal entities that are connected, regardless of their status and economic activity, enabling the total exposure to the risk of default of this group to be measured on the basis of the exposure of one or more of these entities. Commitments to a counterparty or group of related counterparties include all loans granted by the Group as well as corporate finance transactions, bond portfolios, financing commitments and counterparty risks relating to capital market transactions. Exposure limits for counterparties and groups of related counterparties are recorded in the internal information systems of each subsidiary or business line. When several subsidiaries have a counterparty in common, a Group-level aggregate limit is set on the basis of commitment authorisation limits that depend on the internal rating.

Each operating entity reports the amount of its commitments by risk category on a monthly or quarterly basis to the Group Risk Management and Permanent Controls department. Exposures to major non-bank counterparties, *i.e.* those on which the aggregate commitments of the Crédit Agricole Group exceed €300 million after offsetting, are reported separately to the Group Risk Management Committee.

At end-2019, the commercial lending commitments of Crédit Agricole S.A., its subsidiaries and the Regional Banks to their ten largest non-sovereign, non-bank customers, amounted to 4.61% of the total non-bank commercial lending portfolio (compared with 4.54% at 31 December 2018). The diversification of the portfolio on an individual basis is satisfactory.

3.2 Portfolio review and sector monitoring process

Periodic portfolio reviews conducted by entity or business line strengthen the monitoring process, thus serving to identify counterparties that are underperforming, update counterparty ratings, monitor risk strategies and check on changes in concentration ratios, for instance, by business sector.

Moreover, the Corporate and Investment Bank has a portfolio modelling tool that it uses to test how well portfolios hold up under stress scenarios.

At their level, the Regional Banks organise a portfolio review and sector monitoring process adapted to their risk profile.

3.3 Process for monitoring counterparties in default and on credit watch

Counterparties in default and on credit watch are monitored closely by the business lines, in collaboration with the Risk Management and Permanent Controls Officers. They are also the object of formal monitoring by the entities' Sensitive Exposure Committees and of quarterly monitoring by the Group Risk Management Committee and the Risk Committee on a consolidated basis.

3.4 Consolidated credit risk monitoring process

The Group's credit risk profile is monitored and presented at least every quarter at the Group Risk Management Committee and the Board of Directors' Meetings using the "Group risk dashboard".

In addition, detailed periodic reviews of banking risks, country risks and the main non-banking risks are conducted during Group Risk Management Committee Meetings.

3.5 Country risk monitoring and management system

Country risk is the risk that economic, financial, political, judicial or social conditions in a country will affect the Bank's financial interests. This risk does not differ in nature from "elementary" risk (credit, market and operational risks), but is an aggregate of risks resulting from vulnerability to a specific political, social, macroeconomic and financial environment. Country risk covers the assessment of the overall risk environment in a country as opposed to Sovereign Risk, which refers to a government's counterparty risk.

The system for assessing and monitoring country risk within Crédit Agricole Group is based on its own rating methodology. Internal country ratings are based on criteria relating to the financial strength of the government, the banking system and the economy, criteria relating to ability and willingness to pay, governance and political stability.

Annually reviewed limits and risk strategies are applied to each country whose business volume justifies it, with a few exceptions.

This approach is supplemented by scenario analyses aimed at testing the impact of adverse macroeconomic and financial assumptions. These tests provide the Group with an integrated view of the risks to which it may be exposed in situations of extreme tension.

The Group manages and controls its country risks according to the following principles:

- acceptable country risk exposure limits are determined through reviews of country strategies, depending on the portfolio's vulnerability to country risk. The degree of vulnerability is determined by the type and structure of transactions, the quality of counterparties and the term of commitments. The exposure limits may be reviewed more frequently if developments in a particular country make it necessary. The strategies and limits are validated according to the level of risk by Crédit Agricole CIB's Strategy and Portfolio Committee (*Comités stratégies et portefeuilles* – CSP) and by Crédit Agricole S.A.'s Group Risk Management Committee (*Comité des risques du Groupe* – CRG);
- the Corporate and Investment Bank maintains a system for regular assessment of country risk and for updating the country risk rating quarterly for each country in which the Group operates. This rating is produced using an internal country rating model based on various criteria (structural solidity, governance, political stability, ability and willingness to pay). Specific events may cause ratings to be adjusted before the next quarterly review;
- Crédit Agricole CIB's Country and Portfolio Risk department validates transactions whose size, maturity and degree of country risk could affect the quality of the portfolio.

Country risk exposure is monitored and controlled in both quantitative (amount and term of exposure) and qualitative (portfolio vulnerability) terms through regular specific reporting on all exposures to countries.

Western European countries with an internal rating (below B) qualifying them for close country risk monitoring undergo a separate *ad hoc* monitoring procedure. Exposure to sovereign and non-sovereign risk in these countries is detailed in Note 6.7 to the consolidated financial statements.

Moreover, exposures to other countries rated below B are detailed in Chapter III paragraph 2.4 "Country risk" below.

3.6 Credit risk stress testing

Credit risk stress testing is primarily based on satellite models that link changes in credit risk parameters to macroeconomic and financial variables. These models are independently reviewed and approved by the Standards and Methodology Committee in the same way as the Basel models. In addition, the quantitative stress testing system is back-tested each year. Moreover, since 1 January 2018, these models contribute to the calculation of ECLs according to IFRS 9 (see part IV.1 below).

In line with EBA methodology, the credit risk stress tests employ Basel parameters (PD, LGD, EAD) and aim to estimate changes in the cost of risk including provisions for assets not in default and the impact on risk-weighted assets.

For the purposes of credit risk monitoring and management, the Group Risk Management department carries out a series of stress tests.

A global credit risk stress test is carried out at least once a year as part of the budgetary process. The works, coordinated by the DRG, involve all Crédit Agricole Group entities and all Basel portfolios, whether they are treated for regulatory purposes using the IRB or Standardised method. The period examined is set at three years. The stress process is part of corporate governance and aims to improve dialogue between risk and finance on the sensitivity of the cost of risk and capital requirements to a downturn in the economic climate. In addition to being used for budgetary purposes and to manage capital requirements, the results of global credit risk stress tests are used to calculate economic capital (Pillar 2). They are reviewed by the Executive Committee and are also reported to the Crédit Agricole S.A. Board of Directors.

4. Credit risk mitigation mechanisms

4.1 Collateral and guarantees received

Guarantees or collateral are intended to provide partial or full protection against credit risk.

The principles governing the eligibility, utilisation and management of collateral and guarantees received are defined by the Crédit Agricole Group's Standards and Methodology Committee (CNM), (in accordance with the CRR/CRD 4 system for the calculation of the solvency ratio).

This common framework, defined in Group standards, ensures a consistent approach across the various Group entities. It notably documents the conditions for prudential recognition, and the valuation and revaluation methods of all the credit risk mitigation techniques that are used: collateral (notably for the financing of assets: property, aircraft, ships, etc.), personal guarantees, public export credit insurers, private credit insurance policies, financial guarantee insurance, credit derivatives, and cash collateral.

The entities are in charge of implementing this framework at the operational level (management, monitoring of valuations, implementation).

Details of guarantee commitments received are provided in Notes 3.1 and 8 to the consolidated financial statements.

Regarding financial assets obtained by enforcement of guarantees or credit enhancement measures, the Group's policy is to sell them as soon as possible.

4.2 Use of netting agreements

If a "master" agreement has been signed with a counterparty and said counterparty defaults or enters bankruptcy proceedings, Crédit Agricole S.A., its subsidiaries and the Regional Banks apply close out netting, enabling them to terminate current contracts early and to calculate a net balance on the debts and debt obligations in respect of this counterparty. They also use collateralisation techniques to enable securities or cash to be transferred in the form of collateral or transfer of full ownership during the lifetime of the hedged transactions, which can be offset, in the event of default by one of the parties, in order to calculate the net balance of reciprocal debt and debt obligations resulting from the master agreement signed with the counterparty.

4.3 Use of credit derivatives

In managing its corporate financing portfolio Crédit Agricole CIB uses credit derivatives together with a range of risk-transfer instruments, including, in particular, securitisation (see Information under Pillar 3 of Basel 3). The aim is to reduce concentration of corporate credit exposure, diversify the portfolio and reduce loss levels.

At 31 December 2019, the notional amount of protection bought in the form of credit derivatives was €6.4 billion (€3.7 billion at 31 December 2018), the notional amount of short positions was zero (the same at 31 December 2018).

Crédit Agricole CIB processes its derivatives through ten leading, competent and regulated bank counterparties. Furthermore, 62% of these derivatives are processed through clearing houses (54% as at 31 December 2018).

These credit derivative transactions carried out as part of credit risk mitigation transactions are subject to adjustment calculation under Prudent Valuation, to cover market risk concentrations.

The outstanding amounts of credit derivatives are shown in the accompanying consolidated Note 3.2 "Derivative instruments: total commitments".

III. Exposures

1. Maximum exposure

The Group's maximum exposure to credit risk corresponds to the net carrying amount of financial assets (loans and receivables, debt instruments and derivative instruments) before the effect of non-recognised netting contracts and collateral. It is shown in Note 3.1 to the financial statements.

At 31 December 2019, the Crédit Agricole Group's maximum exposure to credit and counterparty risk amounted to €1,995 billion (€1,904 billion at 31 December 2018), an increase of 4.8% compared to 2018.

2. Concentration

An analysis of credit risk on commercial lending commitments excluding Crédit Agricole Group internal transactions and collateral given by the Crédit Agricole Group as part of repurchase agreements (loans and receivables to credit institutions, loans and receivables to customers, financing commitments given, and guarantee commitments given for €1,469.93 billion) is presented below. This scope excludes in particular derivative instruments, which are mainly monitored in VaR (see market risks) and financial assets held by insurance companies (€242 billion excluding unit-linked policies and UCITS – see Insurance sector risks).

2.1 Portfolio diversification by geographic area

On the commercial lending portfolio (including bank counterparties), the breakdown by geographic area amounted to €1,453.6 billion at 31 December 2019, compared with €1,357.5 billion at 31 December 2018. The breakdown reflects the country in which the commercial lending risk is based.

Breakdown by geographic area of commercial lending of the Crédit Agricole Group

Geographic area of exposure	2019	2018
Africa and Middle East	2%	2%
Central and South America	1%	1%
North America	5%	5%
Asia and Oceania excluding Japan	3%	3%
Eastern Europe	1%	1%
Western Europe excluding Italy	9%	9%
France (retail banking)	40%	40%
France (excluding retail banking)	28%	28%
Italy	8%	8%
Japan	3%	3%
TOTAL	**100%**	**100%**

The breakdown of commercial lending by geographic area was overall unchanged. At end-2019, lending in France accounted for 69% of the total, as at end-2018. Commercial lending in Italy, the Group's second largest market, stood at 7%, versus 8% at end-2018.

Note 3.1 to the financial statements presents the breakdown of loans and receivables and commitments given to customers and credit institutions by geographic area on the basis of accounting data.

2.2 Portfolio diversification by business sector

On the commercial lending portfolio (including bank counterparties outside the Group), the scope broken down by business sector stood at €1,427.6 billion at 31 December 2019, versus €1,326.8 billion at 31 December 2018. These breakdowns reflect the business sector in which the commercial lending risk to customers is based.

Breakdown by business sector of commercial lending of the Crédit Agricole Group

Business sector	2019	2018
Air/Space	1.3%	1.4%
Agriculture and food processing	2.5%	2.6%
Insurance	0.7%	0.9%
Automotive	1.8%	1.9%
Other non-banking financial activities	6.3%	6.1%
Other industries	1.0%	1.0%
Other transport	0.9%	0.9%
Banks	1.6%	1.5%
Wood/Paper/Packaging	0.2%	0.2%
Building and public works	1.3%	1.5%
Retail/Consumer goods industries	1.7%	1.8%
Other	2.6%	2.6%
Energy	4.6%	4.7%
o/w Oil and Gas	*3.0%*	*3.0%*
o/w Electricity	*1.6%*	*1.7%*
Real estate	4.5%	4.5%
Heavy industry	1.6%	1.6%
IT/Technology	0.9%	0.8%
Shipping	1.1%	1.1%
Media/Publishing	0.3%	0.3%
Healthcare/Pharmaceuticals	1.2%	1.2%
Non-trading services/Public sector/Local authorities	14.5%	13.8%
Telecom	1.1%	1.0%
Tourism/Hotels/Restaurants	0.7%	0.8%
Utilities	0.3%	0.3%
Retail banking customers	47.2%	47.7%
TOTAL	**100%**	**100%**

The commercial lending portfolio by business sector is well diversified and remained overall unchanged in 2019. Only two sectors accounted for more than 10% of business, as in 2018: the "Retail banking customers" business, which was the largest at 47.2% (47.7% in 2018) and the "Non-trading services/Public sector/Local authorities" business, the second largest, for which the share rose to 14.5% from 13.8% of total in 2018, due in particular to an increase in central bank deposit business.

The "Oil and gas" sector is the main component of the "Energy" exposure. This sector comprises a wide diversity of underlyings, players and types of financing, including a number of sub-segments such as RBL (Reserve-Based Lending), trade and project financing that are usually secured by assets.

As in 2018, most of the exposure in the oil sector relates to players that are structurally less sensitive to the drop in oil prices (public sector companies, large international companies, transportation/storage/refinery companies). Following a major crisis in the sector, our customers are now recording steady economic performance and the portfolio is showing good post-crisis resilience. Guided by a risk-based strategy and due to price volatility, the "Oil and Gas" sector is subject to a very selective approach to projects and any significant new transactions are subject to an in-depth analysis of credit and CSR risk where necessary.

The "Automotive" portfolio has been the focus of particular attention since the end of 2018. It is still deliberately focusing on the major car manufacturers, with limited development in terms of the main equipment manufacturers.

The "Aeronautics" sector financings involve either financing of very high-quality assets, or financing of some of the world's leading car or equipment manufacturers.

The current position of the "Shipping" sector is the result of the expertise and background of Crédit Agricole CIB in mortgage financing for ships, which it provides to its international ship-owning customers. After 10 difficult years, maritime transport is showing signs of recovery that are still moderate and varied depending on the sector. Against this background, the strategy of progressively reducing exposure, effective since 2011, continued. However, this portfolio is relatively protected by its diversification (financing of oil, gas, offshore, bulk carriers, container ships, cruise ships, etc.), as well as by the quality of ship financing structures, secured by mortgages.

The "heavy industry" sector mainly comprises large global steel, metal and chemical groups. Within the sector, commitments in the Coal segment have decreased significantly, in line with the Crédit Agricole Group's CSR policy.

2.3 Breakdown of loans and receivables outstanding by customer type

Concentration by customer type of loans and receivables and commitments given to credit institutions and customers are presented in Note 3.1 to the consolidated financial statements.

The gross amount of loans and receivables outstanding, including accrued interest, was €1,023.8 billion at 31 December 2019, compared with €971.8 billion at 31 December 2018, an increase of 5.4% in 2019. It is split mainly between large corporates and retail customers (respectively, 30.0% and 55.9%).

2.4 Exposure to country risk

At 31 December 2019, commercial lending (including to bank counterparties) to Crédit Agricole Group customers in countries with ratings below B according to the Group's internal ratings, excluding countries in Western Europe (Italy, Spain, Portugal, Greece, Cyprus and Iceland), totalled €67.5 billion versus €60.9 billion at 31 December 2018. Most of these commitments come from Crédit Agricole CIB, UBAF (47%-owned by Crédit Agricole CIB) and International retail banking. They include guarantees received which are deducted (export credit insurance, cash deposits, securities pledged, etc.).

The concentration of total exposures in these countries was generally stable in 2019: the top twenty countries accounted for 96.0% of the lending portfolio at end-2019, compared with 92% at end-2018.

Three geographic areas are dominant: Middle East/North Africa (35%), Asia (24%) and Central and Eastern Europe (28%).

Changes in commercial lending for countries with a credit rating lower than B *(in millions of euros)*

Date	Northern Africa/ Middle East	Sub-Saharan Africa	Americas	Asia	Central and Eastern Europe	Total
2019	23,386	1,914	6,911	16,299	19,037	**67,547**
2018	21,366	1,505	6,517	14,587	16,944	**60,919**

The Middle East and North Africa

Cumulative commitments in countries in the Middle East and North Africa totalled €23.4 billion at 31 December 2019, 9% up on end-2018. Morocco, Saudi Arabia, United Arab Emirates, Egypt and Qatar accounted for 85% of commitments in the Middle East and Northern Africa area.

Central and eastern Europe

Cumulative commitments in central and eastern Europe rose 12% from the previous year. Group commitments remain concentrated in four countries: Poland, Russia, Ukraine and Serbia, which together represented 80% of the total in this region.

Asia

Commitments in Asia increased 12% to €16.3 billion from 31 December 2018. This change was mainly due to an increase to exposures to China. China remains the largest regional exposure (at €10.8 billion) ahead of India (€4.1 billion).

Latin America

At end-December 2019, exposure to this region represented 10% of all exposure to countries rated lower than “B”. The increase in commitments recorded was 6% compared to end-2018, mainly due to an increase in commitments to Mexico. Exposure to Brazil and Mexico made up 90% of the Latin America total, as was the case at end-2018.

Sub-Saharan Africa

Group commitments in Sub-Saharan Africa totalled €1.9 billion at 31 December 2019, *i.e.* 3% of the total for countries with a rating below B, compared with 2% at end-2018. Exposure to South Africa accounted for 19% of commitments in this region.

3. Credit quality

3.1 Analysis of loans and receivables by category

The breakdown of loans and receivables to credit institutions and customers is presented as follows:

Loans and receivables *(in millions of euros)*	31/12/2019	31/12/2018
Neither past due nor impaired	987,386	935,296
Past due but not impaired	12,932	13,013
Impaired	23,504	23,459
TOTAL	**1,023,822**	**971,768**

The portfolio of loans and receivables at 31 December 2019 was 96.4% made up of amounts that were neither past due nor impaired against 96.2% at end-2018.

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. The Group considers there to be no identified credit risk on amounts that are less than 90 days past due, which accounted for 99.9% of receivables past due but not impaired as at end-2018.

Details of financial assets that were past due or impaired are presented in Note 3.1 to the consolidated financial statements.

3.2 Analysis of outstanding amounts by internal rating

The internal rating policy used by the Crédit Agricole Group aims to cover the entire Group customer portfolio, *i.e.* retail customers, corporates, banks and financial institutions, government agencies and local authorities.

On the performing commercial lending portfolio excluding retail customers (€788.1 billion at 31 December 2019, compared with €735.0 billion at 31 December 2018), internally-rated borrowers accounted for 86.7% of the total, compared with 85.0% at end-2018 (€683.4 billion at 31 December 2019, compared with €624.8 billion at 31 December 2018). The breakdown of this portfolio is presented according to the Standard & Poor’s equivalents of the Group’s internal ratings:

Change in the performing non-retail commercial lending portfolio of Crédit Agricole Group by indicative S&P equivalent of 2018 internal rating

	31/12/2019	31/12/2018
AAA	28.6%	26.9%
AA	15.9%	16.9%
A	11.6%	12.7%
BBB	27.1%	26.9%
BB	14.0%	13.7%
B	1.5%	1.7%
On credit watch	1.3%	1.2%
TOTAL	**100.0%**	**100.0%**

This breakdown reflects a high-quality loan book, with a risk profile showing an increase of more than one point in AAA ratings. At 31 December 2019, 83.3% of lending was to borrowers with investment-grade ratings (ratings equal to or greater than BBB, 83.5% at 31 December 2018), and only 1.3% pertained to borrowers on credit watch.

3.3 Impairment and risk coverage

3.3.1 Impairment and risk hedging policy

The policy for hedging loan loss risks is based on two kinds of value adjustments for credit losses:

- impairment allowances on an individual basis intended to cover probable losses on impaired loans;
- impairment allowances for credit losses, pursuant to IFRS 9, following a significant decline in the loan quality for a transaction or loan book. These impairments are designed to cover the risk profile of commitments in certain countries, business sectors or counterparties, not because they are in default but because their ratings have been downgraded. Loan book-based impairments are also performed in retail banking. These impairments are for the most part calculated on a statistical basis, based on the expected loss amount up to the transaction’s maturity, using Basel 2 criteria to estimate the probability of default (PD) and the loss given default (LGD).

3.3.2 Impaired loans and receivables

At 31 December 2019, total individually impaired commitments amounted to €23.5 billion, as was the case at 31 December 2018. These consist of commitments for which the Group sees potential non-recovery. Individually impaired loans represent 2.3% of the Group's gross book value, compared to 2.4% at 31 December 2018.

Restructured loans[1] totalled €12.8 billion at 31 December 2019.

4. Cost of risk

The main factors that had an impact on the level of impairment observed during the year:

4.1 Main economic and factors and industry-specific factors of 2019

A description of the overall environment and the macroeconomic outlook is set out in Chapter 1 Management report, in the "Economic and financial environment" section above.

The global economic slowdown of 2019 did not lead to a significant deterioration in the quality of outstandings or a markedly unfavourable trend in risk indicators (see below), despite some pressure on the corporate portfolio, with a limited number of high-value cases going into default during the year.

The major sectoral focus areas are, at the global level, heavy industry and metals, oil and gas, automotive (including automotive distribution), shipping, retail and commercial real estate. In France, particular attention was paid to the sugar and pig meat sectors, as well as distribution and tourism.

4.2 Figures and facts

The Crédit Agricole Group's cost of risk was €1.76 billion as at 31 December 2019, compared with €1.72 billion in 2018, in increase of 2.2%. The cost of risk for the Regional Banks is still contained at €500 million, down 21% compared to a number of €635 million over 2018.

LCL's cost of risk remained well under control, down by just 1.4% to €217 million. The cost of risk of the International retail banking business line fell by 4%, largely due to the change in the loan book of Crédit Agricole Italia, which continues to improve with a cost of risk down by 9%. Within the Specialised Financial Services division, the change primarily concerns the consumer finance business (the Crédit Agricole Consumer Finance Group), where the cost of credit risk increased by 9% to €451 million, particularly for its Italian subsidiary Agos Ducato (+17%). The subsidiary has been adversely impacted, albeit on a one-time basis, by the acquisition of a loan book under its partnership with Banco BPM. Following an exceptional situation of net reversals of €58 million in 2018, Corporate and Investment Banking returned to normal with a cost of risk net allocation of €165 million in 2019, after a few significant defaults in 2019. Details of the movements that affected the cost of risk are presented in Note 4.9 to the consolidated financial statements. This is broken down by business line in Note 5.1 to the consolidated financial statements.

5. Counterparty risk on derivative instruments

The counterparty risk on derivative instruments is established according to market value and potential credit risk calculated and weighted in accordance with regulatory standards. The measure relating to this credit risk is presented in part 2.2 "Credit risk measurement" of section II "Credit risk management" below.

IV. Application of IFRS 9

1. Measurement of expected losses

The principles used to calculate Expected Credit Losses (ECL) are described in the accounting policies and principles (§ Credit Risk), which specify in particular the input data, assumptions and estimation techniques used.

In order to assess expected credit losses over the next 12 months and over the life of an instrument and to determine whether the credit risk of financial instruments has increased significantly since initial recognition, the Group therefore relies mainly on the data used as part of the framework used for regulatory calculations (internal rating system, evaluation of guarantees and of loss given default).

Forward-looking economic data are taken into account when estimating the expected loss with two distinct levels: central forward-looking to ensure a homogeneous macroeconomic vision for all Group entities and local forward-looking to adjust the parameters of the central scenario to take into account local specificities.

To build its central forward-looking level, the Group relies on the four forward-looking macroeconomic scenarios prepared by Crédit Agricole S.A.'s Economic Studies department (ECO), which are weighted according to their probability of occurrence. The base scenario, which is based on the budgetary assumptions, is supplemented by three other scenarios (adverse, moderate and favourable). Quantitative models to assess the impact of macroeconomic data on ECL trends are also used in internal and regulatory stress tests.

The economic variables updated quarterly cover factors affecting the Group's main portfolios (*e.g.* changes in GDP in France and Eurozone countries, unemployment rates in France and Italy, household investment, oil prices, etc.).

The economic outlook and scenarios used to calculate ECLs are reviewed quarterly by the IFRS 9 Coordination Committee, which includes the main entities of the Group as well as the Group departments of Crédit Agricole S.A. that are involved in the IFRS 9 procedure.

- **Clarification of the risk parameters incorporating a prospective vision**

The prospective vision via the probabilized future scenarios is integrated for the main portfolios through models linking the PD and LGD parameters to the evolution of a set of economic variables described in the Group's four scenarios.

- **Information on the selected macroeconomic scenarios**

Four macroeconomic scenarios currently used in IFRS9 provisioning parameters are projected until 2022:

- a central scenario (60% of the weighting) characterized by slow growth and low rates. As an illustration, the 10-year OAT increases from +0.4% in 2020 to +0.7% in 2022, France's GDP slows from +1.3 to +1.2% while the unemployment rate in France decreases from 8.1% to 7.7% over the same period. The following effects are taken into account:
  - a harder trade war and Sino-American tensions doomed to last and a related accentuation of political and geopolitical uncertainties,
  - a significant impact on trade flows and the global manufacturing cycle, and on the confidence of economic agents,
  - slower growth in the United States in 2020 and weak growth in the euro zone: Germany and Italy (also concerned for political reasons) remain very affected. Forecast of a China that no longer pulls the rest of the world, but no collapse in growth,
  - a reversal of the speeches by central banks in early 2019, which are now practicing a "preventive" easing due to the degraded macro outlook and without inflation and the multiplication of sources of concern,

(1) The definition of restructured loans is detailed in Note 1.2 "Accounting policies and principles" to the consolidated financial statements.

  - long-term interest rate scenarios remain very affected with a risk aversion but a search for yield in a context of marked slowdown, the absence of inflation and abundant liquidity which maintain very low levels;
- a stressed scenario (10% of the weighting) with a very marked slowdown in Chinese growth and an intensification of the trade war. In addition to a recession in the United States and the euro zone at the end of 2020, France and Italy are subject to specific shocks. In this scenario, the 10-year OAT rises to +1.5% at the end of 2022, while France's GDP contracts by -1% in 2021 and -0.3% in 2022. The unemployment rate reaches 11.1% in France in 2022;
- two other scenarios are also studied: a moderate adverse scenario which is generally halfway between the central scenario and the stressed scenario as well as a last scenario more favorable than the central one.

- **Sensitivity analyzes of ECL amounts**

  For example, a drop of 10 points in the probability of the central scenario in favor of the stressed scenario leads to a change in the stock of ECL for central forward looking of the order of 1.2% on the LCL portfolio and 2.7% on CACIB (database as of 30 June 2019, these two portfolios represent approximately 51% of the ECL of the main entities of the Crédit Agricole S.A. as of 31 December 2019).

- **Criteria used to assess the disappearance of a significant deterioration in credit risk**

  They are symmetrical to those determining entry into bucket 2. In the event that this has been triggered by restructuring due to financial difficulty, the disappearance of the significant deterioration implies the application of a probationary period according to the methods described in the appendices to the financial statements (see CA financial statements at the end of 2019 § 1.2.1 Financial instruments) describing the conditions for exiting a restructuring situation due to financial difficulties.

2. ECL trends

Changes in the structure of outstanding amounts and ECL during the period are detailed in part 3.1 of the financial statements as at 31 December 2019.

The comments below pertain to the scope of financial assets at amortised cost (loans and receivables from customers), which represent 90% of the value adjustments for losses.

Loan structure

Continued momentum in 2019 in loan activity and more particularly retail banking increased outstandings in Bucket 1 by €60 billion, representing a relative weighting of 90.7% of the Group's total exposures, versus 89.2% at the start of the year.

The decrease in the weighting of Bucket 2 (6.9% of exposures versus 7.5% at the start of the year) was observed across the entire Group, except in the Leasing business line where a sector-focused segment was created at year-end. The reduction observed for financing activities was largely related to a few counterparties going into default with a significant unit amount.

The impaired loans ratio (Bucket 3) continued to decline (2.5% of total exposures versus 2.6% at end-2018) for the Group and across most consolidation scopes, including the effects of loan book improvements (including some loan book disposals in Italy) partially offset by a slight decline in the Large Corporate customer base during the year.

ECL trends

Value adjustments for Bucket 1 losses were unchanged, despite the increase in exposures in 2019. The coverage ratio fell slightly (from 0.21% to 0.23%), in line with an improved loan book quality across all business lines.

Bucket 2 ECLs were down in parallel with the change in the segment's outstandings. The coverage ratio was generally unchanged (5.7%); it includes the impacts of parameter updates, better recognition of Corporate collateral and improvements to local adjustments for certain entities. Like the change in outstandings, the decrease in the BFI's Bucket 2 ECLs was linked to a few counterparties going into default and to methodology and parameter update effects.

The impaired loans coverage ratio (Bucket 3) showed a slight decline for the Crédit Agricole Group (59.0% versus 60.6% at end-2018).

2.5 MARKET RISK

Market risk is the risk of a negative impact on the income statement or balance sheet of adverse fluctuations in the value of financial instruments following changes in market parameters, particularly:

- interest rates: interest rate risk is the risk of a change in the fair value of a financial instrument or the future cash flows from a financial instrument due to a change in interest rates;
- exchange rates: foreign exchange risk is the risk of a change in the fair value of a financial instrument due to a change in exchange rates;
- prices: price risk is the risk of a change or volatility in the price of equities, commodities, baskets of equities or stock market indices. The instruments most exposed to this risk are, in particular, variable-income securities, equity derivatives and commodity derivatives;
- credit spreads: credit risk is the risk of a change in the fair value of a financial instrument resulting from movement in the credit spreads on indices or issuers. For more complex credit products there is also the risk of a change in fair value arising from a change in correlation between issuer defaults.

I. Objectives and policy

The Crédit Agricole Group has a specific market risk management system with its own organisation independent of operational hierarchies, risk identification and measurement methods, monitoring and consolidation procedures. In terms of scope, this system hedges all market risk.

In a market still marked by persistently low rates, economic uncertainties and global geopolitical tensions (post-Brexit trade talks, Italian government policies, US-China trade tensions and central bank monetary policy guidelines), the Crédit Agricole Group continued to apply a prudent market risk management policy, in line with its risk appetite.

II. Risk management

1. Local and central organisation

The Crédit Agricole Group's market risk control is structured on two distinct and complementary levels:

- at the central level, the Group Risk Management and Permanent Controls department ensures coordination on all subjects related to the management and control of cross-functional market risks. It standardises data and data processing to ensure consistency of both consolidated risk measurement and controls. It keeps the executive bodies (Executive Management of Crédit Agricole S.A.) and decision-making bodies (Board of Directors and Risk Management Committee) up-to-date on the market risk position;
- at the local level, for each Crédit Agricole Group entity, a Risk Management and Permanent Controls Officer manages the monitoring and control of market risks arising from the entity's businesses. Within the Crédit Agricole Corporate and Investment Bank subsidiary, the Risk Management and Permanent Controls department includes the Market and Counterparty Risks (MCR) department which is responsible for identifying, measuring and monitoring market risks. This department provides assistance in monitoring the market risks of international retail banks in addition to the local risk teams, as well as for the trading portfolios of the Financial Steering department of Crédit Agricole S.A., whose transactions are managed in the IT system of Crédit Agricole Corporate and Investment Bank.

Within the MCR department, these various activities break down as follows:

a) Risk management, to monitor and control market risk for all product lines worldwide: limit proposals, which are approved by the Market Risk Committee and monitored for their compliance, analysis of limit breaches as well as significant variations in results which are brought to the attention of the Market Risk Committee;

b) monitoring of activity: in charge of producing daily management income and risk indicators for all activities held to market risk limits and of monitoring and validating the market parameters used to produce profit and loss account and risk indicators. This ensures an autonomous production process based on a market database updated daily, which is independent of the Front Office.

Lastly, the process is used in conjunction with the Finance department during monthly procedures to align net management income and net accounting income;

c) cross-functional teams, responsible for coordinating the methods and processes between product lines and units. These teams are responsible for reporting regulatory indicators produced independently by the MCR department. This includes the following:
- the team responsible for validating pricers,
- the team in charge of the internal model (VaR, stressed VaR, stress scenarios, IRC, etc.),
- the Market Data Management team, which controls market data independently,
- the International Consolidation team, primarily tasked with producing the department's consolidated information;

d) the COO (Chief Operating Officer) and his/her team, responsible for coordinating Group-wide issues: projects, new activities, budgets, reports and Committees.

The IT architecture put in place within Crédit Agricole Corporate and Investment Bank for market risk management is based on sharing the platforms used in the Front Office, on which risk indicators are calculated. The independence of the process is based on the selection of market data and the validation of valuation models by the Risk department.

Group procedures define the level of information, format and frequency of the reports that entities must transmit to Crédit Agricole S.A. (Group Risk Management and Permanent Controls department).

2. Decision-making and Risk Monitoring Committees

Three governance bodies are involved in the management of market risk at the Crédit Agricole Group level:

- the Group Risk Management Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A., approves the aggregate limits on each entity's market risks when it presents its risk strategy and makes the main decisions in the matter of risk containment. It examines the market situation and risks incurred on a quarterly basis, in particular through the main indicators for monitoring market risk, the utilisation of limits and any significant breaches of limits and incidents;
- the Alert Monitoring Committee conducts a monthly review of all warnings reported during the previous month and monitors the action plans that have been put in place;
- the Standards and Methodology Committee, chaired by the Head of Group Risk Management and Permanent Controls, is in particular responsible for approving and circulating standards and methodologies concerning the supervision and permanent control of market risks. Crédit Agricole Corporate and Investment Bank is in charge of validating the prudential standards and models implemented within the scope of market activities.

In addition, each entity has its own Risk Committee. The most important of these is Crédit Agricole Corporate and Investment Bank's Market Risk Committee (CRM), which meets twice monthly and is chaired by the Management Committee member in charge of risks. It is made up of Crédit Agricole Corporate and Investment Bank's head of capital market activities and the risk managers. This Committee reviews Crédit Agricole Corporate and Investment Bank's positions and the profit and loss account of its capital market activities and verifies compliance with the limits assigned to each activity. It has the authority to make decisions on requests for temporary increases in limits.

III. Market risk measurement and supervision methodology

1. Indicators

The market risk measurement and supervision system is based on a combination of several indicators, most of which are subject to global or specific limits. It relies principally on Value at Risk (VaR), stressed VaR, stress scenarios and complementary indicators (risk factor sensitivity, combined qualitative and quantitative indicators) and a process that values all positions in each entity giving rise to market risks. The permanent control process includes procedures to validate and back-test models.

1.1 VaR (Value at Risk)

The central element of the market risk measurement system is the Value at Risk (VaR). VaR can be defined as the maximum theoretical loss on a portfolio in the event of adverse movements in market parameters over a given time frame and for a given confidence interval. The Crédit Agricole Group uses a confidence interval of 99% and a time frame of one day using one year of historical data. In this way, market risks incurred by the Group in its trading activities can be monitored on a daily basis by quantifying the estimated maximum level of loss in 99 out of 100 cases, after inclusion of a number of risk factors (interest rate, exchange rate, asset prices, etc.).

The offsetting figure is defined as the difference between total VaR and the sum of VaRs by risk factor. It represents the effects of diversification among positions held simultaneously on different risk factors. A procedure known as back-testing (comparing each day's result against VaR estimated the day before) is used to confirm the relevance of the methodology.

The internal VaR model of Crédit Agricole Corporate and Investment Bank, which is the main contributor to the VaR of the Crédit Agricole Group, has been approved by the regulatory authorities.

The process of measuring a historical VaR for risk positions on a given date is based on the following principles:

- compilation of a historical database of risk factors on positions held by the entities of the Crédit Agricole Group (interest rates, share prices, foreign exchange rates, commodity prices, volatilities, credit spreads, correlation, etc.);
- determination of 261 scenarios corresponding to one-day changes in risk factors, observed over a rolling one-year period;
- adjustment of parameters corresponding on the date according to the 261 scenarios;
- remeasurement of the day's positions based on the 261 scenarios.

The 99% VaR figure based on the 261 scenarios is equal to the average of the second and third worst results observed.

The VaR calculation methodology undergoes constant improvement and adjustment to take into account, among other things, the changing sensitivity of positions to risk factors and the relevance of the methods to new market conditions. For example, efforts are made to incorporate new risk factors and to achieve finer granularity on existing risk factors.

Limitations of the historical VaR calculation

The main methodological limitations of the VaR model are the following:

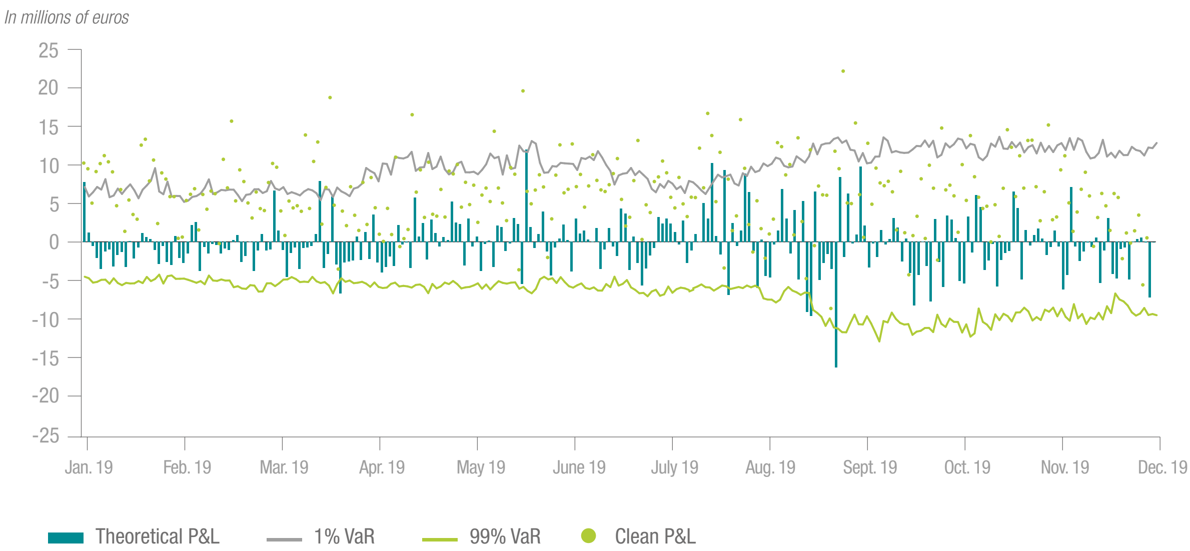
- the use of daily stress testing assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products or in certain crisis situations;
- the use of a 99% confidence interval excludes losses that could occur outside of that interval: VaR is consequently an indicator of risk under normal market conditions and does not take into account movements of exceptional magnitude;
- VaR does not provide any information on amounts of exceptional losses (beyond the 99% confidence interval).

Back-testing

A back-testing process is applied to check the relevance of the VaR model for each of the Crédit Agricole Group entities that has capital market activities. This process verifies *a posteriori* whether the number of exceptions (days when actual losses exceeded estimated VaR) was within the 99% confidence interval (a daily loss should statistically exceed the calculated VaR only two or three times a year).

At 31 December 2019, within the regulatory scope of Crédit Agricole Corporate and Investment Bank (see graph below) was subject to six rolling 12-month VaR exceptions. Consequently, the multiplier, used to calculate capital requirements, increased from 4 to 4.5 at end-2018.

Back-testing of the regulatory VaR of Crédit Agricole Corporate and Investment Bank for 2019 *(in millions of euros)*



1.2 Stress scenarios

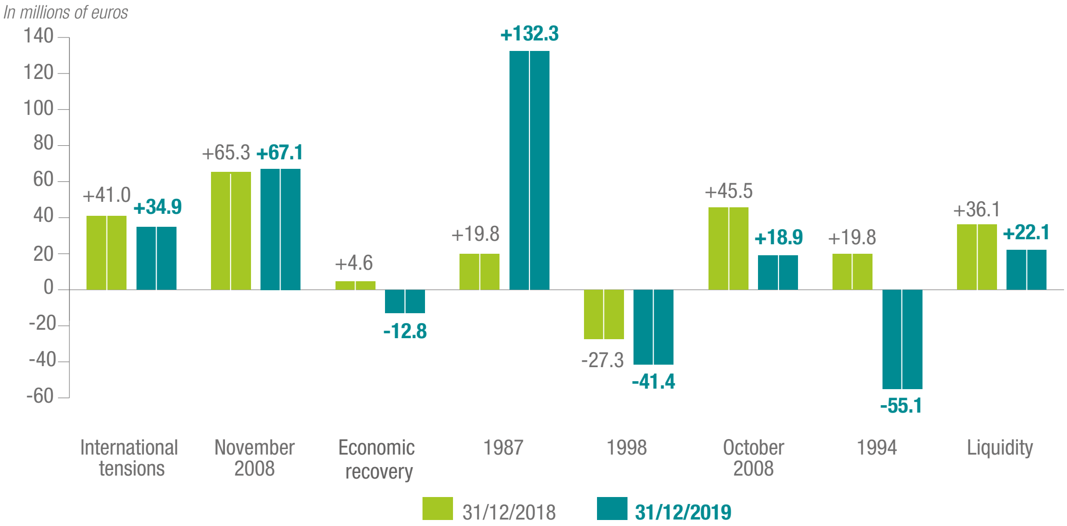
Stress scenarios complement the VaR measure, which does not capture the impact of extreme market conditions. Stress scenarios are calculated following Group principles to simulate extreme market conditions and are the result of different complementary approaches:

- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used in historical stress scenarios are the 1987 stock market crash, the 1994 bond market crisis, the 1998 credit market crisis, coupled with falling equity markets, sharply rising interest rates and declining emerging-country currencies; the 2008 crisis following the failure of Lehman Brothers (two stress scenarios measuring the impact of market movements after the failure);
- hypothetical scenarios anticipating plausible shocks, which are developed in conjunction with economists. The hypothetical scenarios used are **economic recovery** with rising equity and commodity markets, flattening yield curves, appreciation of the USD and narrowing credit spreads; **liquidity crunch,** with flattening yield curves, widening spreads, falling equity markets; and **international tensions** (scenario representing economic conditions in a context of international tensions between China and the United States: rising volatility and falling prices on the equity markets, falling futures prices and rising volatility on the commodities market, flattening yield curves, fall of the USD against other currencies, widening credit spreads).

The stress scenarios are calculated weekly.

The risk levels of Crédit Agricole Group assessed through historical and hypothetical stress scenarios at end-2019 are presented below. As an illustration, the "1994 Crisis" scenario, which had a positive impact at end-2018 (gain of €20 million), had a negative impact at end-2019 (loss of -€55 million).

Impacts associated with stress scenarios



In addition, other types of stress tests are performed:

- at the level of the entities, adverse stress tests enabling evaluation of the impact of major and unfavourable market movements on the different business lines;
- at the level of Crédit Agricole Corporate and Investment Bank, extreme adverse stress tests are used to measure the impact of even more severe market shocks.

1.3 Complementary indicators

Other complementary indicators are also produced by the entities and can, as part of the risk containment system, be subject to limits. These include indicators of sensitivity to various risk factors, loss alerts, stop-loss indicators, nominal amounts, outstandings and remaining terms. These indicators provide fine-grained measurements of exposure to different market risk factors, serve to identify atypical transactions and fill out the summary picture of risks supplied by VaR and global stress scenarios.

1.4 Indicators related to the CRD 4 Directive

Stressed VaR

The so-called "stressed" VaR is intended to correct the pro-cyclical nature of historical VaR. This is calculated over the one-year period preceding the measurement date, and where the associated market parameters reflect calm market conditions with low volatility, it can display a low level.

Stressed VaR is calculated using a 99% confidence interval of one day and over a period of tension corresponding to the worst period observed for the most significant risk factors.

At end-2019, for Crédit Agricole Corporate and Investment Bank it corresponds to the period 13 November 2007 to 12 November 2008. In addition to the VaR capital requirement, there is now a stressed VaR capital requirement.

Incremental Risk Charge

The IRC (Incremental Risk Charge) is an additional equity requirement related to the risk of default and migration on so-called linear credit positions (*i.e.* not including credit correlation positions), required by the CRD 4 directive.

Its purpose is to quantify any unexpected losses caused by credit events on the issuers, *i.e.* default and migration of rating (the case of either a fall or a rise in credit rating).

The IRC is calculated with a confidence interval of 99.9% over a risk period of one year, by Monte Carlo simulations of migration scenarios based on three sets of data:

1) a one-year transition matrix provided by S&P and adapted to the internal rating system of Crédit Agricole Corporate and Investment Bank. This matrix gives the transition probabilities for an issuer based on its initial credit rating to higher or lower credit ratings, as well as its probability of default;
2) the correlation of issuers with systemic factors;
3) average spread curves by rating from which the shocks resulting from migrations are deducted.

These simulated credit default and migration scenarios then make it possible to value positions using the Crédit Agricole Corporate and Investment Bank models.

The IRC is then defined as the 99.9% quantile of the breakdown of the valuations thus obtained.

Comprehensive Risk Measure

The Comprehensive Risk Measure (CRM) measures the risk of default, the risk of a rating change and market risks on the credit correlation portfolio.

Since end-2016, the Crédit Agricole Group has not had any activities subject to capital requirements with respect to the Comprehensive Risk Measure.

Credit Value Adjustment (CVA)

The value adjustment linked to the counterparty's quality (CVA) aims to integrate in derivatives' valuation credit risk associated with the counterparty (risk of non-payment of sums due in the event of default). It is calculated on an aggregate basis by counterparty according to the future exposure profile of the transactions after deducting any collateral. This adjustment is always negative and is deducted from the fair value of the financial assets on the balance sheet.

CRD 4 brought in a new capital charge to cover volatility in the CVA. Under the directive, banks authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk must calculate their CVA risk capital charge using the advanced approach ("CVA VaR"). The size of these capital requirements is calculated using the same methodology and tools as for market VaR in respect of specific interest rate risk.

The ACPR has validated the CVA VaR model used by Crédit Agricole Corporate and Investment Bank and the additional capital required to cover CVA risk (VaR and stressed VaR) has been measured since 2014.

2. Use of credit derivatives

CDS (Credit Default Swaps) are used for hedging purposes in the following cases:

- management of credit exposure from the loan book or derivatives portfolio (CVA);
- hedging of bond portfolio exposure;
- hedging of the exposure of hybrid derivatives portfolios (*e.g.* to hedge the issuance of credit-linked notes sold to investor customers).

IV. Exposures

VaR (Value at Risk)

In view of the Regional Banks' low exposure to market risk, total VaR of Crédit Agricole S.A. is representative of Crédit Agricole Group VaR in market activities.

Crédit Agricole S.A. VaR is calculated by incorporating the impacts of diversification between the different Group entities.

The scope considered for capital market activities of Crédit Agricole Corporate and Investment Bank is the regulatory VaR (measured through an internal model approved by the ACPR).

The change in VaR on the capital markets activities of Crédit Agricole S.A. between 31 December 2018 and 31 December 2019, broken down by major risk factor, is shown in the table below:

Breakdown of VaR (99%, 1 day)

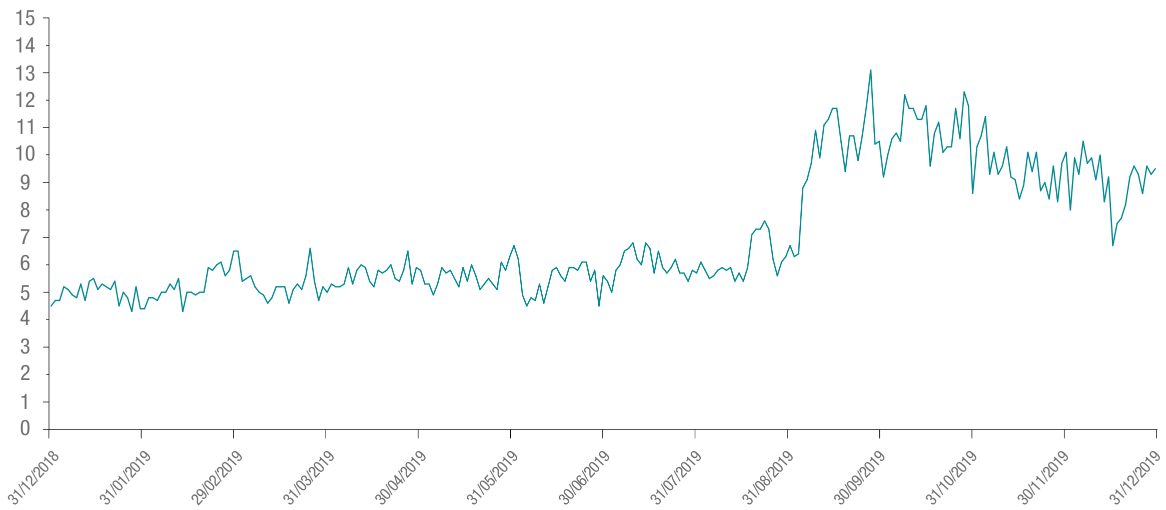
(in millions of euros)	31/12/2019	Minimum	Maximum	Average	31/12/2018
Fixed income	6	2	9	4	4
Credit	4	2	5	3	3
Foreign exchange	3	1	5	3	3
Equities	1	1	2	1	2
Commodities	-	-	-	-	-
Offsetting	(5)	-	-	(4)	(6)
VaR OF CRÉDIT AGRICOLE S.A.	**9**	**4**	**13**	**7**	**5**
For reference: Sum of the VaRs off all entities	10	5	14	8	6

Averaged VaR for the year 2019 was €7 million, versus €5 million for the year 2018. The increase observed in the second half of the year was due to particularly strong movements on medium-/long-term euro interest rates recorded in September.

The following graph shows VaR over the course of 2019:

Crédit Agricole S.A. VaR between 31 December 2018 and 31 December 2019

In millions of euros



Stressed VaR

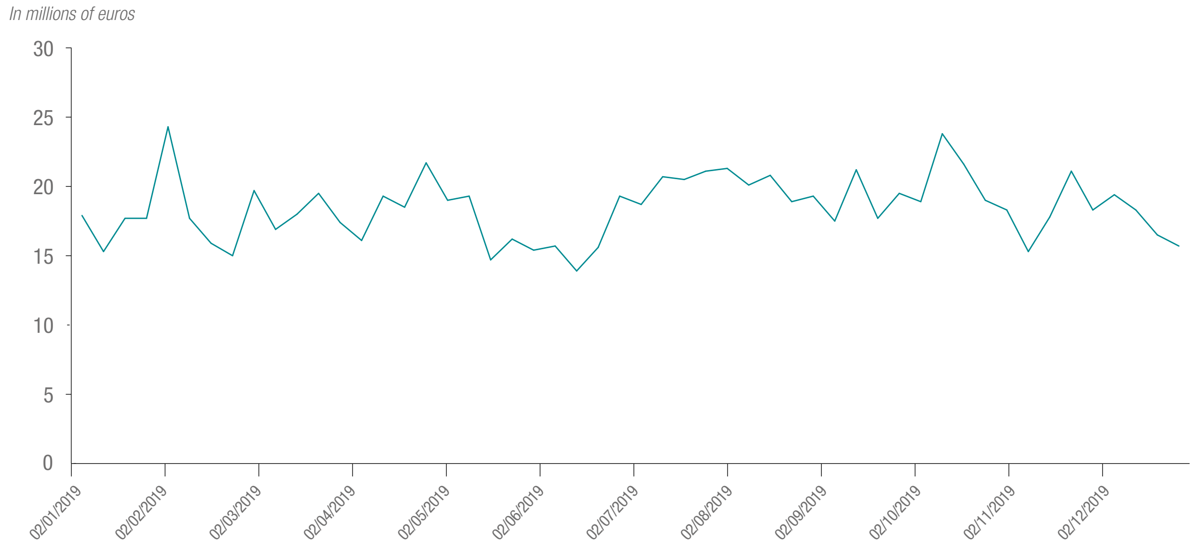
The stressed VaR is calculated on the scope of Crédit Agricole Corporate and Investment Bank.

The table below shows the change in regulatory stressed VaR on the capital market activities of Crédit Agricole CIB, between 27 December 2018 and 31 December 2019:

(in millions of euros)	27/12/2019	Minimum	Maximum	Average	28/12/2018
Crédit Agricole CIB stressed VaR	16	14	24	18	19

Change in stressed VaR (99%, 1 day)

The graph below shows the change in regulatory stressed VaR of Crédit Agricole Corporate and Investment Bank over the course of 2019.



At end-December 2019, stressed regulatory VaR of Crédit Agricole Corporate and Investment Bank was €16 million, a decrease of €3 million as at 31 December 2018. On average over the year, stressed VaR (€18 million) was up slightly compared to the 2018 average (€16 million).

Capital requirement related to Incremental Risk Charge (IRC)

IRC is calculated on the so-called linear credit positions (*i.e.* excluding correlation positions) scope of Crédit Agricole Corporate and Investment Bank.

The table below shows the change in regulatory stressed VaR on the capital market activities of Crédit Agricole Corporate and Investment Bank, between 31 December 2018 and 31 December 2019:

(in millions of euros)	31/12/2019	Minimum	Maximum	Average	31/12/2018
IRC	148	133	239	172	200

V. Equity risk

Equity risk arises in the trading of equity securities, as well as on shares held in the investment portfolio.

1. Equity risk from trading activities

Equity risk, arising from trading activities, arises from positions in equities and equity indices through cash or derivative products. The main risk factors are prices of shares/stock indices, volatilities of those prices and smile parameters of those volatilities[(1)].

Measurement and containment of equity risk is addressed in the description of the processes indicated in section III above.

This risk is monitored by means of VaR; the 2019 VaR values are shown in the table in section IV below. Equity VaR was €1 million at 31 December 2019, down slightly from 31 December 2018.

2. Equity risk from other activities

A number of Group entities hold portfolios that are invested partly in equities and structured products whose market value depends on prices of underlying equities and equity indices.

Note 10.2 to the financial statements shows the distribution of equity instruments issued at fair value by valuation model. At 31 December 2019, outstanding amounts exposed to equity risk amounted to €41.1 billion, including portfolios of insurance companies for €33.3 billion.

Note 6.4 to the financial statements shows in particular the outstanding amounts and the unrealised gains and losses on shares recorded at fair value through non-recyclable equity. Information on market risk (including equity risk) on the portfolios held by the insurance companies is presented below in the section on "insurance sector risks".

(1) Smile is the parameter that takes into account the variability of volatility based on the exercise price of option-based products.

2.6 ASSET AND LIABILITY MANAGEMENT

I. Asset and liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management defines the principles of financial management and ensures their consistent application within the Group. It is responsible for organising financial flows, defining and implementing refinancing rules, asset and liability management, and managing regulatory prudential ratios.

Optimising financial flows within the Group is an ongoing objective. Pooling of surplus resources and making it systematically possible to hedge the associated risks contribute to this objective.

Thus, the principles of the Group's ALM approach ensure that any surpluses and shortfalls in terms of customer resources, in particular resources collected by the Regional Banks, are centralised in the books of Crédit Agricole S.A. This resource pooling helps in refinancing other Group entities as needed (including Crédit Agricole Leasing & Factoring and Crédit Agricole Consumer Finance).

The system for centralising the management of liquidity at Crédit Agricole S.A. serves to control and optimise cash management, especially since it is accompanied by partial interest rate matching.

Consequently, the Group has a high level of financial cohesion, with limited spreading of financial risks, particularly liquidity risk. Nevertheless, the various Group entities are responsible for managing the risk that remains at their level, within the limits assigned to them.

Limits are defined by the Chief Executive Officer of Crédit Agricole S.A. within the framework of the Group Risk Management Committee, approved by the Board of Directors of Crédit Agricole S.A., and apply throughout the Group:

- subsidiaries that carry asset and liability risks comply with limits set by the Crédit Agricole S.A. Risk Management Group Committee;
- methods of measuring, analysing and managing the Group's assets and liabilities are defined by Crédit Agricole S.A. Regarding the retail banks' balance sheets in particular, a consistent system of run-off conventions and models has been adopted for the Regional Banks, LCL and the foreign subsidiaries;
- Crédit Agricole S.A. consolidates the subsidiaries' measurements of their asset and liability risks. Results of these measurements are monitored by Crédit Agricole S.A.'s Treasury and ALM Committee;
- Crédit Agricole S.A.'s Financial Management department and Risk Management and Permanent Controls department take part in meetings of the ALM Committees of the main subsidiaries.

Within the Regional Banks, the Boards of Directors set limits on overall interest rate risk and the trading portfolio and determine alert thresholds for the management of their investment portfolios (securities available for sale). These limits are monitored by Crédit Agricole S.A.

II. Global interest rate risk

1. Objectives

The objective of global interest rate risk management is to stabilise the future profits of Group entities against the impact of any adverse interest rate movements.

Changes in interest rates impact the interest margin by creating mismatches in timing or in the type of indexation between assets and sources of funds. Interest rate risk management uses balance sheet or off-balance sheet transactions to limit the resulting volatility in income.

The scope for monitoring the global interest rate risk is made up of entities whose business generates an interest rate risk:

- Regional Banks;
- LCL Group;
- Crédit Agricole S.A.;
- International retail banks, in particular the CA Italia Group;
- Crédit Agricole Corporate and Investment Bank;
- Crédit Agricole Consumer Finance Group;
- Crédit Agricole Leasing & Factoring Group;
- CACEIS;
- Amundi.

The interest rate risk borne by the Insurance business is monitored using indicators specific to this business line. An assessment of the impact of an instantaneous rate shock on the level of own funds under Solvency 2 is performed on the Crédit Agricole Assurances scope. This indicator is incorporated within an alert threshold.

2. Governance

2.1 Interest rate risk management – Entities

Each entity manages its exposures under the supervision of its ALM Committee, in accordance with the Group's limits and standards. The limits of Crédit Agricole S.A.'s subsidiaries are reviewed annually and validated by the Group Risk Management Committee.

The Financial Management department and the Risk Management and Permanent Controls department are represented on the main subsidiaries' ALM Committees. They ensure the harmonisation of methods and practices across the Group and monitor compliance with the limits assigned to each of the subsidiaries' entities.

Each Regional Bank's situation as regards global interest rate risk is reviewed quarterly by the Regional Banks' Risk Management Committee.

2.2 Interest rate risk management – Group

The Group's exposure to global interest rate risk is monitored by the Crédit Agricole S.A.'s ALM Committee.

This Committee is chaired by the Chief Executive Officer of Crédit Agricole S.A. and includes several members of the Executive Committee along with representatives of the Risk Management and Permanent Controls department:

- it examines the individual positions of Crédit Agricole S.A. and its main subsidiaries, along with consolidated positions for each quarterly closing;
- it examines compliance with limits applicable to the Crédit Agricole Group and to entities authorised to bear global interest rate risk;
- it validates the guidelines for the global interest rate risk of Crédit Agricole S.A. proposed by the ALM department.

Limits approved by Crédit Agricole S.A.'s Board of Directors govern the Group's exposure to global interest rate risk.

3. Measurement and management system

3.1 Measurement

The rate risk measurement is mainly based on the calculation of interest rate gaps.

This methodology consists of creating future projections of outstandings at known rates and inflation-indexed outstandings according to their contractual terms (maturity date, amortisation profile) or by modelling out flows of outstandings where:

- the maturity profile is not known (products with no contractual maturity, such as demand deposits, passbook accounts or capital);
- implicit options sold to customers are incorporated (early loan repayments, home purchase savings, etc.).

These models are usually defined based on a statistical analysis of past customer behaviour coupled with a qualitative analysis (economic and regulatory context, commercial strategy, etc.).

Consistency between the models used by the various Group entities is ensured by the fact that the models must adhere to the modelling principles approved by the Standards and Methodology Committee. They are approved by the entity's ALM Committee and their relevance is monitored on an annual basis.

The gaps are consolidated quarterly at Group level. When their management requires it, some entities, particularly the major ones, measure their gaps more frequently.

The rules that apply in France to the setting of the Livret A index a portion of the interest to average inflation over a rolling six-month period. The interest on the Group's other passbook savings accounts is also correlated to the same half-yearly average inflation rate. As a result, the Group hedges the risk associated with these balance sheet items using on- or off-balance sheet instruments with inflation as the underlying.

Option risks are included in the gaps using a delta-equivalent measure. A portion of these risks is hedged by buying options.

This measurement system is applied to all significant currencies (mainly USD, GBP and CHF).

A new type of measure was implemented in 2019 with net interest margin simulations projected over three years. The methodology corresponds to that of EBA stress tests: constant review and identical renewal of maturing transactions. These simulations are carried out according to four scenarios: forwards (baseline), shocks of more or less 200bp on rates and a +100bp shock on inflation. They are calculated based on the scope of consolidation of the main Group entities and on a consolidated basis. These indicators are not subject to a framework but contribute to the measurement of the internal capital requirement for interest rate risk.

3.2 Limitation system

The limits set at Group and entity levels put bounds on the extent of the maximum discounted loss over the next 30 years and the maximum annual loss over the next 15 years in the event of a rate shock.

The rules for setting limits are intended to protect the Group's net asset value in accordance with Pillar 2 of the Basel 3 regulations regarding global interest rate risk and to limit the volatility, over time, of interest margins by avoiding sizeable concentrations of risk on certain maturities. As well as being validated by the Group Risk Management Committee, these limits must be approved by each entity's decision-making body.

Each entity (including Crédit Agricole S.A.) hedges the interest rate risks generated by this method of financial organisation at its own level, by means of financial instruments (on- and off-balance sheet, futures or options).

3.3 Assessment of internal capital requirements

Internal capital requirements with respect to the interest rate risk are measured using a dual approach combining economic value and revenues-based metrics. The economic value impact is measured by taking into account:

- the directional interest rate risk (calculated based on gaps);
- the option rate risk (mainly gamma effect on **caps**);
- the behavioural risk (such as early fixed-rate loan repayments);
- interest rate risk exposure limits

This measurement is performed using a set of internal scenarios incorporating interest rate curve distortions that are calibrated using a method consistent with that used to assess the other risks measured under Pillar 2.

The impact on revenues is calculated using net interest margin simulations implemented in 2019 (see § "Measurement" below).

4. Exposure

The Group's interest rate gaps are broken down by type of risk (nominal rate/real rate) in the various currencies. They measure the surplus or deficit on sources of fixed-rate funds. By convention, a positive (negative) figure represents a downside (upside) risk on interest rates in the year considered. The figure indicates the economic sensitivity to a change in interest rates.

The results of these measurements for the Crédit Agricole Group at 31 December 2019 are as follows:

Gaps in euros (at 31 December 2019)

(in billions of euros)	2020	2021-2025	2026-2030	>2030
Gaps in euros	(2.4)	7.9	1.0	(6.9)

Over the course of 2020, a +100-basis point increase of interest rates in Eurozone would imply a potential loss for the Crédit Agricole Group of €23.8 million on the banking portfolio at 31 December 2019, amounting to a 0.07% decline of revenues for 2019 (compared to a decrease of €6.9 million or 0.02% of the revenues as at 31 December 2018).

The cumulative impact over the next 30 years of a +200-basis point rate increase corresponds to a negative impact of -€895 million on this portfolio, or 0.82% of the regulatory capital of the Crédit Agricole Group (Tier 1 + Tier 2) after deduction of equity investments.

Other currency gaps (at 31 December 2019)

(in billions of euros)	2020	2021-2025	2026-2030	>2030
Other currency gaps(1)	10.0	1.4	1.1	0.3

(1) Sum of all gaps in all currencies in absolute values countervalued in billions of euros.

For the other currencies, a decrease of 100 basis points of the interest rates in each currency, would imply for the Group a loss of -€100 million in 2020 on the banking portfolio at 31 December 2019, amounting to 0.30% of 2019 revenues. After the euro, the main currencies to which the Crédit Agricole Group is exposed are CHF, PLN, MAD, JPY and USD.

III. Foreign exchange risk

Foreign exchange risk is treated differently depending on whether it relates to structural foreign exchange positions (re-evaluated through OCI) or to operational foreign exchange positions (re-evaluated through P&L).

1. Structural foreign exchange risk

The Crédit Agricole Group's structural foreign exchange risk arises from long-term investments by the Group in assets denominated in foreign currencies (equity of the operating entities abroad, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with the Group's reference currency being the euro.

At 31 December 2019, the Group's main structural foreign exchange positions, on a gross basis before hedging, were in US dollars and currencies pegged to the dollar (in particular the Saudi Rial), in Swiss francs, pounds sterling, Chinese yuans, Polish zlotys, Moroccan dirhams and Japanese yen.

The main principles of the management of structural foreign exchange positions are:

- over the next year, the coverage of the portion of structural positions that are expected to become operational positions (results in the process of being formed that are expected to be distributed, shares that are expected to be sold in the near future);
- over a more medium/long term horizon, an adjustment to the level of hedging of structural foreign exchange positions in order to immunise the Group's CET1 ratio against exchange rate fluctuations. This should include the implementation of new coverage in the event of over-immunisation or the termination of existing coverage in the event of under-immunisation.

  An entity may, however, choose not to hedge a position denominated in a currency that is over-immunised if the cost of the hedge is considered too high in relation to the profit earned or the amount of the position in question is not material.

Five times a year, the Group's structural foreign exchange positions are presented to Crédit Agricole S.A.'s Treasury and ALM Committee, which is chaired by the Chief Executive Officer.

2. Operational foreign exchange risk

Operational foreign exchange risk arises from income and expenses of all kinds that are denominated in currencies other than the euro (provisions, net income generated by foreign subsidiaries and branches, dividends in foreign currencies, etc.), and from balance sheet imbalances.

Crédit Agricole S.A. manages the positions affected by foreign currency income and expenses that appear on its books, as does each entity within the Group that bears significant risk. The Treasury departments of foreign subsidiaries' manage their operational foreign exchange risk in their local currency.

The Group's general policy is to limit its operational foreign exchange positions and not to hedge revenues that have not yet materialised, unless there is a strong probability that losses will materialise and unless the impairment risk is high.

In accordance with the foreign exchange risk monitoring and management procedures, operational foreign exchange positions are updated monthly or daily for foreign exchange trading operations.

IV. Liquidity and financing risk

Like all credit institutions, the Group is exposed to liquidity risk, *i.e.* the risk of not having sufficient funds to honour its commitments. This risk could materialise if, for instance, there were a general crisis of confidence among investors in the money and bond markets or massive withdrawals of customer deposits.

1. Objectives and policy

The Group's primary objective in managing liquidity is to ensure that it has sufficient resources to meet its requirements in the event of any type of severe, prolonged liquidity crisis.

To manage this, the Group uses an internal liquidity risk management and control system whose objectives are:

- to maintain liquidity reserves;
- to match these reserves with future liabilities coming due;
- to organise its refinancing (to achieve an appropriate short and long-term refinancing time frame and diversify sources of refinancing);
- to ensure a balanced development between customer loans and deposits.

The system includes indicators, limits and alert thresholds. These are calculated and monitored for all Group entities and consolidated to allow monitoring of liquidity risk across the whole Crédit Agricole Group scope. It also incorporates compliance with regulatory liquidity constraints. The LCR and the additional liquidity monitoring metrics (ALMM), calculated on a company or sub-consolidated basis for the Group entities in question and on a consolidated basis for the Group, are disclosed in a monthly report to the ECB.

2. Methodology and governance of the internal liquidity risk management and control system

Crédit Agricole Group's liquidity risk management and control system is built around indicators defined in a standard and divided into four separate groups:

- short-term indicators derived largely from simulations of crisis scenarios. The purpose of these is to schedule maturities and volumes of short-term refinancings as a function of liquidity reserves, cash flow from commercial activity and repayment of long-term debt;
- long-term indicators used to assess and schedule long-term debt maturities: limits on maturity concentrations, allowing the Group to anticipate its refinancing needs and avoid any risk of difficulties with refinancing on the markets;
- diversification indicators, which allow the Group to monitor and manage concentrations of sources of market refinancing (by refinancing channel, type of debt, currency, geographic area, investor);
- cost indicators used to measure the short-term and long-term trends in the Group's issue spreads and their impact on the cost of liquidity.

The Standards and Methodology Committee is responsible for validating the definition of these indicators and any changes in them proposed by Crédit Agricole S.A.'s Group Finance department, on the advice of the Group Risk Management and Permanent Controls department.

The Crédit Agricole S.A. Board of Directors approves the general policy for Group liquidity risk management and sets limits for key indicators in light of the Group's liquidity risk tolerance. The Group Risk Management Committee, which proposes these limits to the Board of Directors, determines how they are translated to each of the Group's constituent entities.

Accordingly, each subsidiary of Crédit Agricole S.A. and each Regional Bank is notified of the limits for the indicators controlled at Group level. In addition to this translation of the Group system, the Asset-Liabilities Committees (or their equivalent) of these entities define a specific set of limits for the risks relating to their own business. They are also free to decide locally to apply a stricter control than that required by the Group.

3. Liquidity management

Crédit Agricole S.A. controls the management of liquidity risk. The Finance department is responsible, in respect of short-term refinancing, for:

- setting spreads on short-term funds raised under the various programmes (mainly negotiable certificates of deposit – NCDs);
- centralising assets eligible for refinancing by the central banks of Group entities and specifying the terms and conditions of use in the framework of tenders;
- monitoring and forecasting cash positions.

And in respect of long-term refinancing, for:

- assessing needs for long-term funds;
- planning refinancing programmes to meet these needs;
- executing and monitoring these programmes over the course of the year;
- reallocating the funds raised to Group entities;
- setting prices for liquidity in intragroup flows.

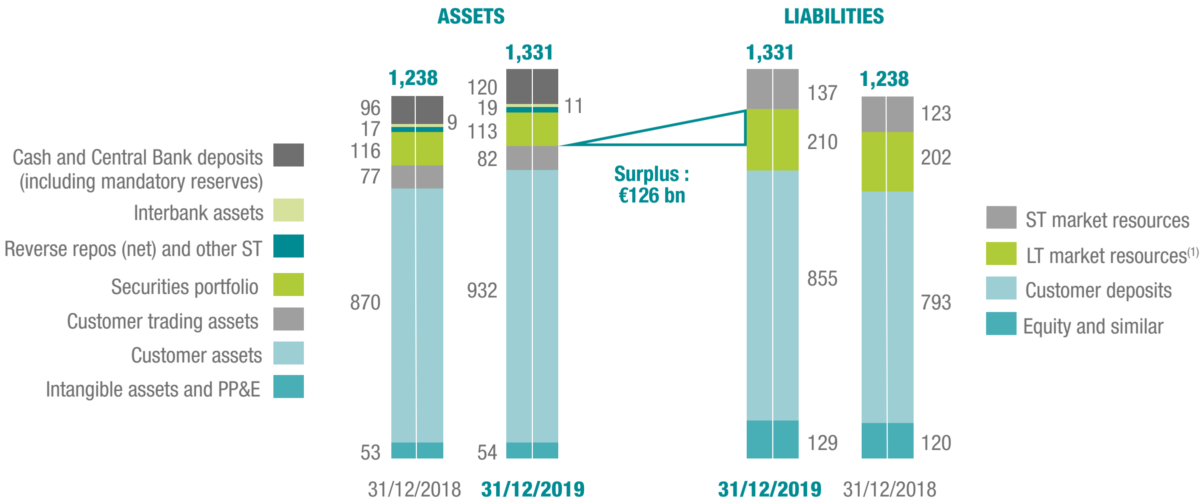
Long-term refinancing programmes comprise various instruments (see below). The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. It proposes policy directions for the Group's Asset-Liability Management and Capital Liquidity Committee.

The Asset-Liability Management and Capital Liquidity Committee, chaired by the Chief Executive Officer of Crédit Agricole S.A. (who is also informed of the Group's liquidity positions) is responsible for all key decisions concerning the management of funding programmes, the launch of new programmes, the validation of funding budgets and management of the balance between loans and deposits.

If funding markets tighten, a Committee is set up by the Executive Management, the Group Risk Management and Permanent Controls department and the Group Finance department in order to keep a close watch on the Group's liquidity situation.

4. Quantitative information

4.1 Cash balance sheet at 31 December 2019



(1) LT market resources include T-LTRO drawings.

In order to provide simple, pertinent and auditable information on the Group's liquidity position, the cash balance sheet long-term sources surplus is calculated quarterly.

The cash balance sheet is derived from Crédit Agricole Group's IFRS financial statements. It is based on the definition of a comparison table between the Group's IFRS financial statements and the sections of the cash balance sheet as they appear below, the definition of which corresponds to that commonly accepted in the market.

It relates to the banking scope, with insurance activities being managed in accordance with their own specific regulatory constraints.

Further to the breakdown of the IFRS financial statements in sections of the cash balance sheet, netting calculations are carried out. They relate to certain assets and liabilities that have a symmetrical impact in terms of liquidity risk. The amount of €84 billion in repos/reverse repos was thus eliminated insofar as these outstandings reflect the activity of the securities desk in carrying out securities lending transactions that offset each other.

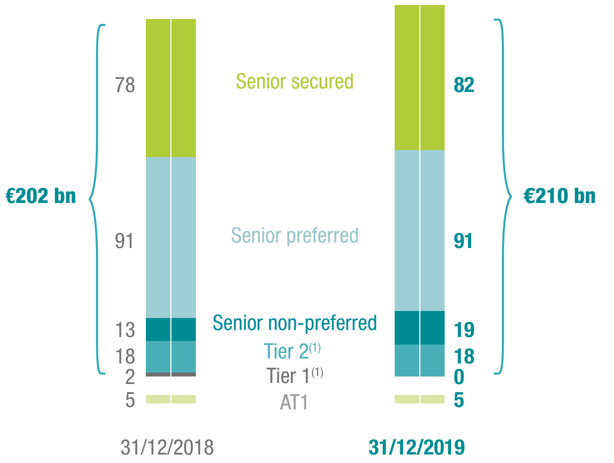
In a final stage, other restatements reassign outstandings that accounting standards allocate to one section, when they are economically related to another. Senior issues placed through the banking networks, which accounting standards would class as "LT market funds", are thus reclassified as "Customer deposits".

The €126 billion surplus known as the "stable resources position" enables the Group to cover the LCR deficit generated by the durable assets and stable liabilities (customer assets, fixed assets, LT resources and capital).

It exceeded the Medium-Term Plan target of over €100 billion. The ratio of stable resources over long-term applications of funds was 111.8% at 31 December 2019.

Long-term market funds increased by €8 billion over the financial year. Moreover, the increase in senior non-preferred debt (+€6 billion) is aimed at meeting future resolution requirements.

Changes in long term market resources of the Crédit Agricole Group

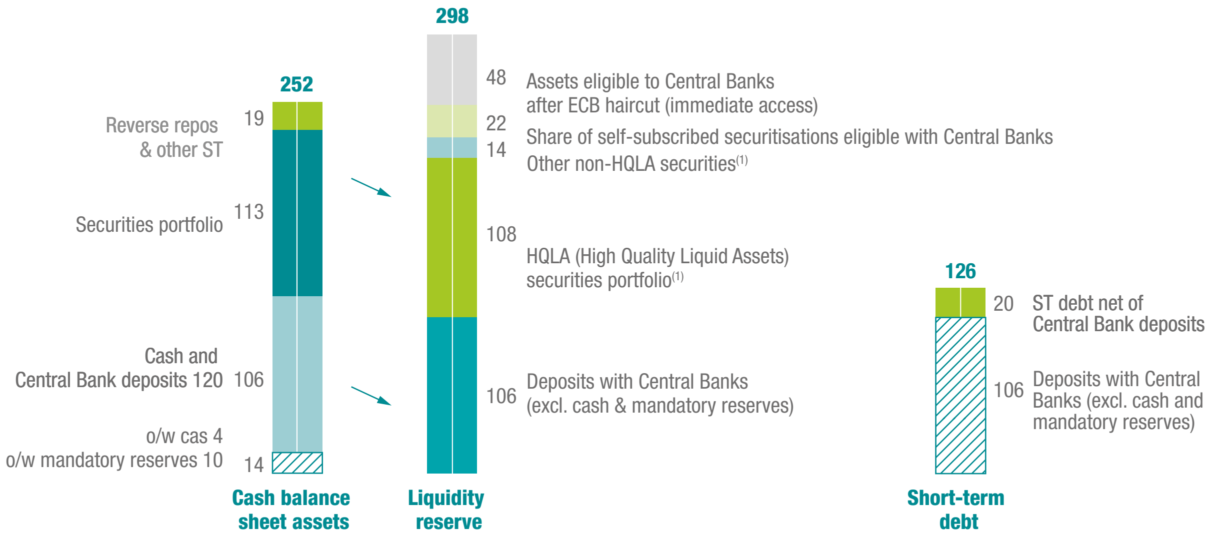


(1) Notional amount.

Note that for central bank refinancing transactions, funds raised under the T-LTRO (Targeted Longer-Term Refinancing Operation) are classed as long-term market funds. In fact, the T-LTRO II and T-LTRO III operations do not allow for early redemption by the ECB and given their four- and three-year contractual maturity respectively are equivalent to long-term secured refinancing, identical in liquidity risk terms to a secured issue.

4.2 Change in Crédit Agricole Group's liquidity reserves

Liquidity reserves after haircuts totalled €298 billion at 31 December 2019. In addition, HQLA (High-Quality Liquid Asset) securities amounting to €108 billion, after haircuts, cover more than three times the net short-term debt not replaced with Central banks.



(1) Available liquid market securities, marked to market and after haircut.

Available liquidity reserves at end-2019 comprised:

- €48 billion in loans and receivables eligible for Central bank refinancing operations after the ECB haircut;
- €22 billion in treasury shares held by the bank and eligible for central bank refinancing operations, after haircut;
- €106 billion in central bank deposits (excluding cash and mandatory reserves);
- a portfolio of securities amounting to €122 billion after discount. At 31 December 2019, this securities portfolio consisted of HQLA securities that were market-linkable and also eligible for central bank refinancing for €108 billion, and other market-linkable securities for €14 billion after haircut.

Liquidity reserves in 2019 averaged €280 billion.

The allocation of limits arising from Crédit Agricole Group's liquidity risk management and control system to each Crédit Agricole S.A. subsidiary and Regional Bank ensures that local liquidity risks are matched by adequate coverage from reserves.

4.3 Regulatory ratios

Since March 2014, Eurozone credit institutions have been obliged to report to their supervisory authorities their Liquidity Coverage Ratio (LCR), as defined by the EBA (European Banking Authority). The aim of the LCR is to boost the short-term resilience of banks' liquidity risk profile by ensuring that they have sufficient unencumbered High Quality Liquid Assets (HQLA) that can be converted into cash easily and immediately, on private markets, assuming a liquidity crisis lasting 30 calendar days. Credit institutions are subject to a threshold for this ratio, set at 100% from 1 January 2018.

12-month average at 31/12/2019 *(in billions of euros)*	Crédit Agricole Group	Crédit Agricole Group S.A.
Liquidity buffer	223.2	189.3
Total net cash outflows	173.3	143.8
Liquidity Coverage Ratio (LCR)	128.8%	131.6%

Unlike the LCR, which is a ratio of flows, the NSFR (Net Stable Funding Ratio) is a ratio that compares the stock of assets with an effective or potential maturity of longer than one year to liabilities with similar effective or potential maturity. The definition of the NSFR assigns each balance sheet item a weighting based on its potential to mature in longer than one year. A number of these weightings are still under discussion and European regulations have not yet fully defined this ratio. A regulatory framework initially due to be issued in 2018 will be delayed as part of the European legislative initiative launched at the request of the European Commission on 23 November 2016.

To the best of our understanding, the Crédit Agricole Group would currently meet NSFR requirements under existing regulations.

5. Refinancing strategy and conditions in 2019

Regarding refinancing, central bank policies were once again key to the evolution of market conditions in 2019. Geopolitical uncertainties – the trade war between the United States and China, Brexit, tensions in Iran, demonstrations in Hong Kong and the economic slowdown in China – also impacted interest-rate and equity markets throughout the year.

Refinancing conditions were extremely tight at the end of 2018 and beginning of 2019 in a context of the ECB's phasing out of QE (quantitative easing), Brexit and tense trade discussions between the United States and China.

In January, concerns expressed by the ECB regarding the risk of lower-than-expected European growth and the Fed's more conciliatory rhetoric of the Fed led to a genuine market turnaround, with interest rates and credit spreads falling.

On 7 March, against a backdrop of a worsening economy, the ECB announced the launch of TLTRO-III, whereby banks can refinance up to 30% of their stock of eligible loans over two years. At the same time, the ECB also amended its forward guidance, announcing that its key interest rates would remain unchanged until the end of 2019, and for as long as necessary to ensure inflation converges to levels close to 2%, paving the way for sustained negative interest rates.

In May Donald Trump's decision to increase tariffs on most imports from China as well as on Chinese exports led to a widening of credit spreads.

China immediately took the necessary counter-measures, including by depreciating its currency to favour its exports and thus offset the impact of the tax increases imposed on so many Chinese products.

On 12 September the ECB announced it was cutting its deposit rate from -0.40% to -0.50%, easing the TLTRO III by extending maturity from two years to three years, and launching another asset-purchase programme amounting to €20 billion per month. It also announced it was introducing a tiered system whereby banks could invest part of their excess liquidity held at the ECB's deposit facility at zero interest rate in order to preserve low interest rates for a long period.

In the United States, the Fed cut its interest rate three times in 2019, in July, September and October. Its key interest rate at the end of the year was in the range of 1.5% to 1.75%.

Geopolitically, Brexit was also a source of volatility in 2019, with numerous twists and turns: Theresa May resigned in May and Boris Johnson lost his parliamentary majority in September before an agreement was reached between European and British negotiators on 17 May. The overall majority obtained by Boris Johnson in the early British general election held on 12 December 2019 paved the way for the British parliament's ratification of the EU exit agreement and Britain's effective withdrawal from the EU on 31 January 2020.

At year-end 2019, credit and equity markets were at their highest levels against a backdrop of high liquidity and search for yields, trade negotiations between China and the US were making progress (signing of the first trade deal for 2020), and Britain had held an election.

The Group continues its prudent MLT funding policy, with highly diversified market access, in terms of investor base and products.

In 2019, the main Group issuers raised €38.4 billion of senior debt in the market.

To meet capital planning needs and future resolution requirements, in 2019 Crédit Agricole S.A. issued senior non-preferred debt for €4.5 billion equivalent and Tier 2 subordinated debt for €1.8 billion, equivalent to an average maturity on the markets of 7.9 years:

- €4.8 billion equivalent in USD, including €1.3 billion in Q2 and €3.5 billion in SNP;
- €0.2 billion equivalent in SGD in Q2;
- €0.4 billion equivalent in AUD in Q2;
- €0.1 billion equivalent in CHF in SNP;
- €0.8 billion equivalent in JPY in SNP.

In 2019, to help meet its refinancing requirements, Crédit Agricole S.A. raised the equivalent of €10.1 billion in securitised and senior preferred debt on the markets, with an average maturity of 8.7 years:

- €4.4 billion of unsecured preferred senior debt (EUR, CHF, JPY, USD, CNY, AUD, GBP) with an average maturity of 5.8 years;
- €5.7 billion of senior secured bonds issued by Crédit Agricole Home Loan SFH and Crédit Agricole Public Sector SCF, with an average maturity of 11 years.

These issues included:

- a senior non-preferred Green Bond issue for €1 billion;
- a CAHL SFH senior secured Green Bond issue for an amount of €1.25 billion;
- a senior preferred Panda Bond issue in the amount of CNY 1 billion.

An AT1 instrument was also issued for €1.1 billion equivalent in February 2019 (not included in the funding plan).

In total, Crédit Agricole S.A. raised the equivalent of €16.4 billion on the markets, or 97% of its refinancing programme set at €17 billion (senior and subordinated debt). In terms of currency, its issues are sufficiently diversified: the euro represents 78% of market issues, the US dollar 7%, the yen 5%, the SGD 1%, the AUD 4%, the GBP 2%, the CNY 1% and the Swiss franc 3%.

The Group also continued pursuing its strategy of strengthening and developing access to medium- to long-term diversified resources, particularly through its specialist subsidiaries, with €22 billion of senior debt raised in 2019, in addition to the resources raised on the market by Crédit Agricole S.A.:

- Crédit Agricole Corporate and Investment Bank issued €9.0 billion, mainly in structured private placements with its international customers;
- Crédit Agricole Consumer Finance raised €10.4 billion, thereby strengthening its presence on the European ABS markets, in accordance with its self-funding objectives;
- LCL raised €1.1 billion;
- EFL raised €0.7 billion;
- Crédit Agricole Italia placed €0.75 billion in 8-year covered bonds in the market based on Italian home loans;
- CAL&F raised €0.1 billion.

In addition, in 2019, the Group placed bonds in its networks (Regional Banks, LCL, Crédit Agricole Italia) and borrowed from supranational institutions for a total amount of €3.9 billion:

- Issuance of Crédit Agricole S.A. senior preferred bonds placed in the Regional Bank networks and borrowing from supranational organisations (CDC, EIB, EBRD, etc.) amounted to €1.6 billion, with an average maturity of 10.5 years; moreover, Crédit Agricole S.A. placed €0.3 billion of senior non-preferred debt in the Regional Bank networks;
- LCL invested €1.6 billion;
- Crédit Agricole Italia invested €0.4 billion in its network.

V. Hedging policy

Within the Crédit Agricole Group, derivative instruments are used for three main purposes:

- to meet demand from Group customers;
- to manage the Group's financial risks;
- to take positions for the Group's own account (as part of specific trading activities).

Derivatives not held for hedging purposes (as defined by IAS 39[(1)]) are classified as derivative instruments held for trading and are monitored for market risk as well as counterparty risk, where applicable. Certain derivative instruments may be held for the economic hedging of financial risks, without however meeting the IAS 39 criteria. They are therefore also classified as derivative instruments held for trading.

In all cases, the intent of the hedge is documented at the outset and verified quarterly by appropriate tests (forward-looking and backward-looking).

Each Group entity manages its financial risks within limits set by the Group Risk Management Committee chaired by the Chief Executive Officer of Crédit Agricole S.A.

The charts in Note 3.4 to the consolidated financial statements give the market values and notional amounts of hedging derivatives.

1. Fair value hedges and cash flow hedges

Global interest rate risk management aims to reconcile two approaches:

- protection of the Group's net asset value, which requires matching balance sheet and off-balance sheet items that are sensitive to interest rate variations (*i.e.* fixed rate items, for the sake of simplicity) against instruments that are also fixed-rate, so as to neutralise the variations in fair value that occur when interest rates change. If the matching is done by means of derivative instruments (mainly fixed-rate swaps, inflation swaps and market caps), the derivatives are classified as **fair value hedges** if the instruments (micro FVH) or groups of instruments (macro FVH) identified as the hedged items (fixed-rate assets and inflation: customer loans, fixed-rate liabilities and inflation: demand deposits and savings deposits) are eligible under IAS 39 (otherwise, as mentioned above, these derivatives are classified as held for trading, even though they hedge risk).

  To check hedging suitability, hedging instruments and hedged items are grouped by maturity using contract characteristics or, for certain balance sheet line items (particularly deposits), using assumptions based on the financial characteristics of the products and historical behaviour. The comparison between the two maturity schedules (hedges and hedged items) means that hedging can be documented in a forward-looking manner for each maturity;
- protection of the interest margin, which requires neutralising variations in future cash flows associated with instruments or related balance sheet items that are affected by interest rate resets on the instruments, either because they are indexed to interest rate indices that fluctuate or because they will be refinanced at market rates at some point in the future. If this neutralisation is effected using derivative instruments (mainly interest rate swaps), the derivative instruments are classified as **cash flow hedges** (CFH). This neutralisation can also be carried out for balance sheet items or instruments that are identified individually (micro CFHs) or portfolios of line items or instruments (macro CFHs).

The table below shows the cash flows, broken down by projected maturity date, for the Group, of the cash flow hedging derivatives:

(in millions of euros)	**At 31/12/2019**			
Remaining time to maturity	**<1 year**	**1 to 5 years**	**≥5 years**	**Total**
Cash flows of hedging derivatives	(30)	6	(280)	**(304)**

2. Net investment hedges in foreign currencies

A third category of hedging concerns the protection of the Group's net asset value against fluctuations in exchange rates and resulting changes in the value of assets or liabilities held in currencies other than the Group's reference currency, which is the euro. The instruments used to manage this risk are classified in the net investment (hedge category).

(1) In accordance with a decision made by the Group, the Group chooses not to apply the "hedge accounting" option of IFRS 9, as allowed by the standard. All hedging relationships continue to be documented in accordance with the rules in IAS 39, until, at the latest, the date of application of the regulations on fair value macro hedges when adopted by the European Union. However, hedge accounting under IAS 39 uses the classification and measurement principles of IFRS 9 to decide which financial instruments qualify.

2.7 INSURANCE SECTOR RISKS

The information in this section supplements Note 4 to the consolidated financial statements in the Universal Registration Document of Crédit Agricole Assurances and is covered by the Statutory Auditors' Report on the consolidated financial statements.

In view of the predominance of its savings and retirement activities, the Crédit Agricole Assurances Group is more particularly exposed to market risks (equity risk, spread risk) and asset/liability risks (liquidity and interest rate risk). The Crédit Agricole Assurances Group also faces insurance risks. Lastly, it is exposed to operational risk linked to non-compliance risk and to legal risk particularly in process execution.

I. Governance and organisation of risk management in the Crédit Agricole Assurances Group

The risk governance system of the Crédit Agricole Assurances Group is based on the following principles:

- it is within the remit of the control function mechanism at the Crédit Agricole S.A. level that includes the Group Risk Management and Permanent Control Division, which is responsible for steering (supervision and prevention) and second-degree control, the Internal Audit business line, which is responsible for periodic control, and the Compliance business line. In addition to these functions is the Actuarial Function at the Crédit Agricole Assurances level, as required by insurance company regulations;
- it is overseen by the Risk Management department of the Crédit Agricole Assurances Group, which heads the "Risk Management" business line, supervises procedures and ensures that subsidiary risk management systems are compliant with Group standards and principles. It is supported by experts for each major risk category;
- it is based on the principle of subsidiarity. Each Crédit Agricole Assurances Group entity is responsible for defining and implementing its solo risk management policy, in accordance with Crédit Agricole S.A. principles and rules, the principles and rules for the management of Crédit Agricole Assurances Group, and local regulations for international subsidiaries.

Risk governance falls on:

- Executive Management (the CEO and second Executive Directors as defined by Solvency 2) and the Board of Directors, ultimately responsible for the Crédit Agricole Assurances Group's compliance with all applicable regulations and legislation;
- the Crédit Agricole Assurances Executive Committee, which is the primary strategic body of the Group's Executive Management and the Group Committees (in particular the Finance Committee, the Risks and Internal Control Committee, the ALTM and Investment Committee and the Reinsurance Strategy Committee);
- the four key functions (Risks, Compliance, Actuarial function, Internal Audit), whose representatives have been appointed by the Chief Executive Officer. Their appointment is validated by the Board of Directors and notified to the competent national supervisory authority. The four key functions are coordinated by the Risk and Internal Control Committee of the Crédit Agricole Assurances Group. The heads of the key functions have direct access to the Board of Directors, to whom they present the results of their work at least once a year;
- an internal control system, defined as the framework designed to manage and control all types of operations and risks and to ensure that all transactions are carried out in a manner that is proper (in compliance with regulations), secure and effective. Crédit Agricole Assurances asks its Board of Directors to validate its risk policies;
- the internal process for evaluating Crédit Agricole Assurances Group's solvency and risks (Organisational Readiness Self-Assessment – ORSA), synchronised with the other MTP/Budget strategic processes, capital planning and the updating of the Risk strategy and function policies. Prospective assessments completed within this framework make it possible to analyse the consequences of adverse situations on the Group's management indicators and to take the necessary action, where appropriate.

1. Organisation of risk management

The risk management system of the Crédit Agricole Assurances Group is managed by the Head of the Risk Management function, who reports operationally to the Crédit Agricole Assurances Chief Executive Officer and hierarchically to the Group Chief Risk Officer of Crédit Agricole S.A. The Head of the function relies on the Chief Risk Officers of the entities who report to him/her. The Insurance Risk business line operates like a matrix, combining entity-level organisations with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second pair of eyes" role (to issue a recommendation) to back the operating functions, which manage risks day-to-day, make decisions and exercise first-level controls to ensure their processes are performed properly.

2. Risk management system

At Crédit Agricole Assurances Group level

In order to achieve its strategic orientations while managing and mitigating its risks appropriately, the Crédit Agricole Assurances Group established a risk appetite framework. This consists of key indicators for each risk category that constitute the core of its Risk Management strategy.

The Risk management strategy implemented by the Crédit Agricole Assurances Group is based on the overall risk management framework and the limits and alert thresholds for the range of different risks it is exposed to through the implementation of its strategy.

It is reviewed and validated at least annually, along with the Risk Appetite Statement, by the Crédit Agricole Assurances Board of Directors, following a review by the Crédit Agricole Risk Management Group Committee (a sub-committee of Crédit Agricole S.A. Executive Committee, chaired by its Chief Executive Officer) of the indicators and major limits. Crédit Agricole Assurances' Executive Management or even Crédit Agricole Group's Risk Committee, depending on the scope of its authority, are notified of any breaches of alert thresholds or limits and resulting corrective measures.

The Group's quarterly risk dashboard, supplemented by a monthly report for financial risks, is used to monitor Crédit Agricole Assurances Group's risk profile and identify potential deviations.

The Board of Directors is informed when any tolerance threshold for any indicator in the risk appetite matrix is breached and it receives regular updates on compliance with the risk appetite framework.

Dedicated bodies ensure that risks are managed consistently at Group level: bi-monthly Risk Monitoring Committee, monthly Financial Risk Committee, reviews of portfolios by asset type, a monthly presentation of current risk issues to the Executive Committee.

Moreover, the Crédit Agricole Assurances has set up a Group-wide Committee on Insurance Models, steered by the Risk Management business line. The role of the Methodology Committee is to approve the methodologies underpinning the models and indicators used to address major risks for Crédit Agricole Assurances Group or presenting cross-sector challenges for the Crédit Agricole Assurances Group.

At entity level

In accordance with the Group framework, companies define their own processes and systems to measure, supervise and manage risks: process and risk mapping resulting in a risk strategy that defines, according to their risk appetite, the Crédit Agricole Assurances Group global limits in accordance with a process coordinated by the holding company, accompanied if necessary by limits to manage their specific risks.

The entities also draw up formal policies and procedures providing a strict framework for risk management (including the rules for accepting risk when insurance policies are taken out, provisioning and hedging of technical risks by reinsurance, claims management, etc.).

For its international subsidiaries, Crédit Agricole Assurances has drawn up a set of standards to be implemented by each entity, which sets out the scope and rules for decentralised decision-making and specifies the rules to follow during the decision-making process.

Operational risk management is supervised in each entity by Committees that meet periodically (investment, ALM, technical, reinsurance and others) in order to monitor developments in the risk position, based on reporting by business lines, present analyses to support the risk management process, and, if necessary, draw up proposals for action. Significant incidents and limit breaches lead to alerts being triggered and notified either to the Crédit Agricole Risk Management Group department (for Crédit Agricole Assurances group-level limits), or to Crédit Agricole Assurances Executive Management or the entity's management. Corrective measures are implemented accordingly.

The risk management system is examined during meetings of the Risk Management and Internal Control Committees of each subsidiary, in light of the permanent control reports, the analysis of their risk dashboard and the conclusions of periodic controls.

II. Market risk

In view of the predominance of savings activities in the French and international (Italy mainly) life insurance subsidiaries, and therefore the very large volume of financial assets held to cover policyholder liabilities, the Crédit Agricole Assurances Group is particularly concerned by market risks.

Market risk is the risk of loss that can result from fluctuations in the price of financial instruments in a portfolio.

The Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- spread risk. This risk is fully described in a specific section.

In particular, these risks have an impact on the valuation of portfolio assets and their long-term yield, and must be managed closely with matching liabilities and, particularly for Life Insurance, with guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Thus, the Crédit Agricole Assurances Group's financial policy provides for an active/passive framework aimed at reconciling objectives of seeking yield for policyholders, conserving ALM balances and delivering shareholder value. This framework is based on "risk/yield" analyses and "stress scenarios", to identify the characteristics of the amounts to invest, the limitations and objectives over short/medium and long-term horizons, with market analysis, supported by economic scenarios, to identify opportunities and limitations in terms of the environment and the market.

The Investment department of Crédit Agricole Assurances is involved in developing and monitoring implementation of the investment policies of Crédit Agricole Assurances Group and of the subsidiaries (taking into account individual ALM limitations and financial targets), which are submitted to their respective Board of Directors for approval. It is responsible for oversight of the investment management services provided by Amundi (management mandates granted by the companies). Moreover, it makes investments directly (without a mandate) on behalf of the Crédit Agricole Assurances Group companies (in real estate in particular), as part of the policy of diversification.

1. Interest rate risk

Type of exposure and risk management

Interest rate risk refers to the risk of a change in the value of the bond portfolio due to upward or downward movements in interest rates.

The Crédit Agricole Assurances Group bond portfolio, excluding unit-linked policies and UCITS, amounted to €242 billion at 31 December 2019, compared with €227 billion at end-2018.

Interest rate risk for the life insurance companies is linked to interactions between assets (financial management) and liabilities (policyholder behaviour). Management of this risk requires a global approach combining financial strategy, the constitution of reserves and sales and income policies. Crédit Agricole Assurances' framework for managing interest rate risk sets out the limits on risks and the related (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

A low interest rate environment puts pressure on the profitability of the life insurance activities of Crédit Agricole Assurances: it creates a situation in which returns from securities in the portfolio are lower than the rates paid out on life insurance contracts. Risks related to the minimum guaranteed returns in France are handled at regulatory level by means of prudential provisions.

Crédit Agricole Assurances has a range of levers to tackle the risk of falling rates:

- no longer issuing policies that feature guaranteed return (since 2000 for the main French life insurance company), so that the overall average return has steadily fallen;
- moderation of the profit-sharing paid;
- hedging using bond assets and swaps/swaptions to manage reinvestment risk;
- adaptation of ALM and investment policies to the very low interest rate environment;
- prudent diversification of investment assets;
- adaptation of the sales policy in favour of deposits to unit-linked policies.

A risk arising from an increase in interest rates could occur if there is a gap between the rate of return delivered by the insurer (related to bond yields) and the rate expected by policyholders in a high-rate environment, or the rate achieved by other savings vehicles. This could result in a wave of early redemptions by policyholders, forcing the insurer to dispose of assets, notably bonds, with unrealised losses (which would generate losses). In turn, the yield on the portfolio would be reduced, with the risk of triggering new waves of policy redemptions.

Crédit Agricole Assurances thus implements measures to manage the risk of a rise in rates:

- adjustment of duration according to projected outflows of liabilities;
- retention of liquidities or liquid investments with a low risk of loss;
- dynamic management of the investment portfolio and setting aside reserves to provide the capacity to increase the return (capitalisation reserve, and profit-sharing reserves);
- upward interest rate hedging through derivatives;
- building customer loyalty to limit early redemptions.

The Crédit Agricole Assurances Group's dashboard, presented to the Executive Committee, includes indicators to monitor the nature of this risk: average guaranteed minimum rate, bond portfolio coverage ratio, allocation to reserves, etc.

Analysis of sensitivity to interest rate risk

Technical liabilities

The Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical reserves, excluding unit-linked policies): these technical reserves are based on the pricing rate which is constant over time for a particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property and casualty reserves: these technical reserves are not discounted to present value and changes in interest rates therefore have no impact on the value of these commitments;
- mathematical reserves for benefits (personal injury, disability): the discount rate used in calculating these reserves is based on the interest rate in force at the calculation date. Therefore, the size of these commitments varies with interest rates. However, given the limited amount of these technical commitments, they pose no material risk for the Crédit Agricole Assurances Group.

Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's bond portfolio is used to assess the impact of a rate movement. It is calculated by assuming a 100-basis point rise or fall in interest rates (net of policyholders' deferred profit-sharing and tax):

	31/12/2019		31/12/2018	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
100 bps rise in risk-free rates	(61)	(2,040)	(203)	(2,089)
100 bps decline in risk-free rates	86	2,043	203	2,091

The impacts presented above take the following elements into account:

- the profit-sharing rate for the entity holding the financial investments;
- the tax rate in force.

Where securities are recognised as assets at fair value through equity, the impacts are presented in the "Impact on equity" column. Where they are recognised as assets at fair value through profit or loss, the impacts are presented in the "Impact on net income" column.

To reiterate, Crédit Agricole Assurances uses the overlay approach for financial assets held for the purpose of an activity involving insurance contracts, which are designated in accordance with the option provided by the amendments to IFRS 4 (this approach is explained in Note 1 to the Crédit Agricole Assurances consolidated financial statements). The sensitivity of designated assets is recorded in shareholders' equity.

Financing debt

Borrowings arranged by the Crédit Agricole Assurances Group mainly pay fixed rates; interest is therefore not very sensitive to changes in interest rates.

2. Equity and other diversification assets risk

Type of exposure and risk management

Exposure to the equity markets and other so-called diversification assets (private equity and listed or unlisted infrastructures, real estate and alternative management) is intended to capture yield in these markets (notably with a low correlation between real estate and other asset classes). Market risk on equities and other diversification assets is defined as a risk of volatility in terms of valuation and therefore, an accounting provisioning risk that could have an impact on policyholder benefits (provision for permanent impairment, provision for liquidity risk). To limit this effect, particularly for the life insurance portfolios, allocations are analysed to determine a ceiling for the share of these diversification assets and a maximum volatility level.

Equities and other diversification assets are held directly or *via* dedicated Crédit Agricole Assurances Group UCITS to provide regional diversification, in accordance with the relevant risk policies. Exposure to these assets is managed by a series of limits (by asset class and overall for the diversification) and concentration rules.

Compliance with these limits is monitored on a monthly basis.

The main asset classes in the global portfolio are presented in Note 6.4 to the consolidated financial statements. The fair value of financial assets and liabilities recognised at acquisition cost in the balance sheet is disclosed in Note 6.5.1 to the consolidated financial statements. Both items can be found in the Crédit Agricole Assurances Registration Document.

Analysis of sensitivity to equity risk

A quantified measurement of equity risk can be expressed by the sensitivity calculated by assuming a 10% rise or fall in equity markets (impacts are shown net of policyholders' deferred profit-sharing and tax):

	31/12/2019		31/12/2018	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
10% rise in equity markets	115	174	74	148
10% decline in equity markets	(118)	(174)	(74)	(147)

The impacts presented above take the following elements into account:

- the profit-sharing rate for the entity holding the financial investments;
- the tax rate in force.

These sensitivity measurements include the impact of changes in the benchmark equity index on assets measured at fair value, reserves for guaranteed minimum return and reserves for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes in the fair value of equity instruments at fair value through profit or loss impact net income; changes in the fair value of equity instruments classified as non-recyclable under the fair value option impact unrealised gains and/or losses.

Moreover, Crédit Agricole Assurances uses the overlay approach for financial assets held for the purpose of an activity involving insurance contracts, which are designated in accordance with the option provided by the amendments to IFRS 4 (this approach is presented in Note 1 to the consolidated financial statements). The sensitivity of designated assets is recorded in shareholders' equity.

3. Foreign exchange risk

Foreign exchange risk is defined as the risk of loss due to movements in foreign exchange rates against the euro. For Crédit Agricole Assurances, this risk is marginal, as shown by the sensitivity to foreign exchange risk, calculated by assuming a 10% rise or fall in each currency relative to the euro (impacts are shown net of policyholders' deferred profit-sharing and tax):

	31/12/2019		31/12/2018	
(in millions of euros)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
Exchange rate sensitivity on financial instruments: +10% for each currency relative to the euro	0.1	0.2	(0.1)	0.1
Exchange rate sensitivity on financial instruments: -10% for each currency relative to the euro	(0.1)	(0.2)	0.1	(0.1)

Crédit Agricole Assurances' exposure to foreign exchange risk falls into two categories:

- limited structural exposure: in yen for the CA Life Japan subsidiary, with a hedging ratio of 91% (low net exposure of JPY 954 million at end-2019, equivalent to €8 million) and in PLN for the CA Insurance Poland subsidiary, with a hedge ratio of 94% (net exposure of PLN 2.7 million at end-2019, equivalent to €0.6 million);
- operational foreign exchange exposure arising from a mismatch between the asset's currency and that of its liabilities: the Crédit Agricole Assurances Group's global portfolio, representing commitments in euros, is primarily invested in euro-denominated financial instruments. However, to achieve the aim of optimising risk/return, the Group seeks to profit from projected gaps in growth between major geographic areas, using dedicated funds. The general foreign exchange risk hedging strategy is not to hedge exposure to the currencies of emerging economies, regardless of the asset class, and, in contrast, to hedge exposure to the currencies of mature countries through forward sales, with the option of limited tactical exposure to a currency. Crédit Agricole Assurances Group's overall foreign exchange exposure is bound by a maximum market value limit relative to the total portfolio, and a sub-limit for emerging currencies.

Actual exposure is measured monthly and compared to the exposure limits. At end-2019, it was not material (0.2% of the global portfolio) and was mainly on emerging currencies.

4. Liquidity risk

Type of exposure and risk management

For Crédit Agricole Assurances, liquidity risk essentially corresponds to its ability to meet its current liabilities.

From this perspective, the companies combine several approaches.

On the one hand, liquidity is an investment selection criterion (majority of securities listed on regulated markets, limits on assets in markets that lack depth, such as private equity, unrated bonds, and alternative management, etc.).

On the other hand, systems for managing liquidity are consistent across Crédit Agricole Assurances Group, and are defined by the companies as part of their active/passive ALM policy:

- for life insurance companies, these systems have the goal to ensure a match between the maturities of assets and those of liabilities under normal and stressed conditions (wave of buybacks/deaths, see below the liquidity monitoring indicator). The objective is to ensure liquidity in the long-term (monitoring and limiting of annual cash run-off gaps), medium term (so-called "reactivity" ratio described below), and, in case of uncertainty regarding net inflows, short-term (one-week and one-month liquidity, with daily monitoring of redemptions). Temporary liquidity management mechanisms also exist for exceptional circumstances where markets are unavailable (repurchase agreements with collateral in cash or ECB-eligible assets);
- for non-life insurance companies, liquidities or assets with low reactivity are retained, and the share is calculated to respond to a shock to liabilities.

The "reactivity" ratio measures the ability to mobilise current assets of less than two years or variable-rate assets by limiting the impacts in terms of capital loss; it is measured and compared against a threshold set by each life insurance company.

The liquidity monitoring indicator, introduced in 2018, measures the ratio between stressed liquid assets (appreciation of a discount) and a liquidity requirement generated by a 40% buyback rate over a one-year period.

Profile of financial investment portfolio maturities

Note 6.6 to the consolidated financial statements of Crédit Agricole Assurances, which can be found in part 6 of the Registration Document, contains the bond portfolio maturity schedule (excluding unit-linked policies).

Breakdown of financial liabilities by contractual maturity

Note 6.23 to the consolidated financial statements of Crédit Agricole Assurances, which can be found in part 6 of the Registration Document, provides information on the estimated schedule for Crédit Agricole Assurances insurance liabilities (excluding unit-linked policies for which the risk is borne by policyholders).

Financing

As a holding company, Crédit Agricole Assurances is responsible for subsidiary refinancing enabling them to meet their solvency requirements and operational cash needs. It is refinanced through its shareholder Crédit Agricole S.A. and, since 2014, through issuing subordinated debt directly in the market.

The structure of the financing debt and its breakdown by maturity is shown in Note 6.21 to the consolidated financial statements of Crédit Agricole Assurances (part 6 of the Universal Registration Document).

III. CCR

Credit risk is the risk of loss due to default by an issuer. For debt securities, this risk translates as a decrease in value.

This section deals only with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers' receivables is covered in the section on "insurance risk".

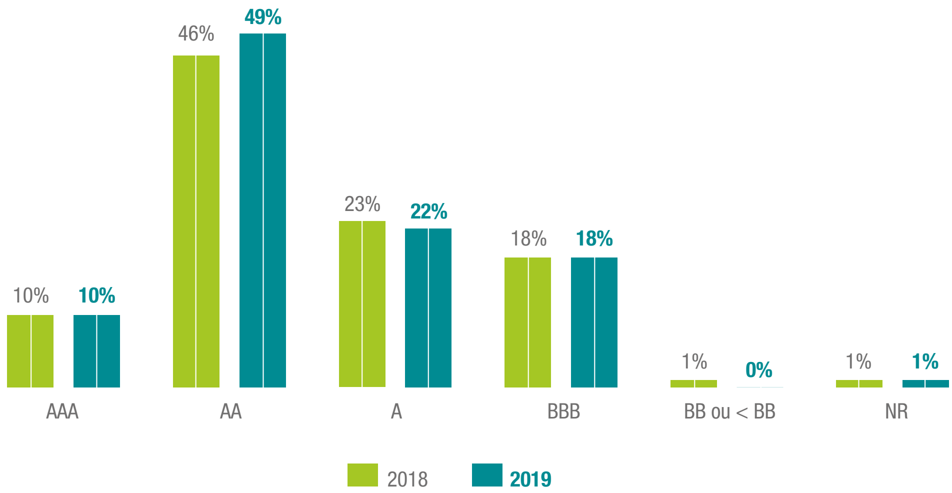
Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the management mandates granted to them by the insurance companies.

Counterparty risk is contained overall for Crédit Agricole Assurances Group and at portfolio level for each entity on the basis of limits in terms of ratings, issuer and sector concentration.

Hence, aggregate limits are defined to manage the breakdown of issues between rating classes. The rating used is the "Solvency 2" rating corresponding to the second best of the three Standard & Poor's, Moody's and Fitch ratings. The share of "high-yield" issues held directly or indirectly *via* funds, is subject to strict limits. Only issues with a minimum BB rating are authorised for purchase in mandates. Issuers that have not been rated by an external agency but have an internal Crédit Agricole S.A. rating are selected according to a rigorous process and account for a limited percentage of the portfolio (2.9% at end-December 2019).

The breakdown of the bond portfolio by financial rating makes it possible to assess its credit quality.

The bond portfolio (excluding unit-linked policies and UCITS) by credit rating breaks down as follows:



Concentration in a single issuer (equities and interest rate instruments) may not exceed a given percentage of the total portfolio, which is determined according to issuer type and quality. Furthermore, limiting the relative weighting of the top ten issuers ensures diversification within rating levels A and BBB. Exposure is reviewed quarterly with the Amundi Risk teams and the Risk Management department of the Crédit Agricole Group.

Concentration in sovereign debt and similar is subject to individual limits according to debt-to-GDP ratio and the country's credit rating.

Exposure to Eurozone peripheral debt (Greece, Italy, Portugal, Spain) has been reduced. As regards sovereigns, it is concentrated in Italian sovereign debt held by the Italian subsidiary of Crédit Agricole Assurances.

Cash collateral contracts are used to manage counterparty risk for over-the-counter derivatives used by companies to hedge exposure to rate risk on their balance sheets.

IV. Insurance risk

The Crédit Agricole Assurances Group is exposed to insurance risk through the insurance business. Such risk primarily relates to the underwriting, valuation of provisions and reinsurance processes.

Each entity implements an approach in collaboration with all the operating departments concerned, as well as Risk, Compliance, Actuarial functions and Legal Affairs, to manage risks when new insurance products are created or substantial changes are made to the features of an existing product. Products are approved by an *ad hoc* Committee (New Business and New Product Committee).

1. Insurance underwriting risk

Insurance underwriting risk takes different forms depending on the whether the insurance is life or non-life:

Life insurance underwriting risk

Through its Savings, Retirement and Death & Disability activities and life insurance guarantees in respect of its creditor insurance, Crédit Agricole Assurances is exposed to biometric risks (longevity, mortality, incapacity, long-term care and disability risks), loading risk (insufficient loading to cover operating expenses and fees paid to distributors), but most of all to behavioural risk for redemptions (for example, due to an increase in interest rates that reduces the competitiveness of certain investments, a deterioration in trust in Crédit Agricole Group, or a legal development, such as the Bourquin amendment to the Sapin II law).

Life insurance technical reserves, recognised in the main by French companies, are chiefly constituted from savings denominated in euro or unit-linked (UL) policies. For the majority of UL policies, the risk of fluctuation in the value of the underlying is borne directly by the policyholder. Some policies may include a floor guarantee in the event of the death of the insured, which exposes the insurer to a financial risk determined by the value of the policies' UL and the probability of death of the insured. A specific technical reserve is recognised for this floor guarantee.

In savings, redemption rates are monitored for each life insurance company and compared with the structural redemption rates established on the basis of historic and market data.

In death and disability, creditor insurance and yields, the underwriting policy, which specifies the risks covered, the underwriting conditions (target customers, exclusions) and pricing standards (notably the statistical tables established either from national or international statistics or from experience tables) helps to control risk in this area.

"Catastrophe" risk, related to a mortality shock (*e.g.* a pandemic) is likely to impact the results for individual or group death & disability insurance. The French life insurance subsidiary benefits from BCAC *(Bureau commun des assurances collectives)* cover, both on group death benefits and individual death and disability benefits, as well as, in part, supplementary cover of disability risk.

Non-life insurance underwriting risk

For property and casualty insurance and non-life benefits included in creditor insurance policies, the underwriting risk can be defined as the risk that the premiums collected are insufficient compared to the claims to be settled. Crédit Agricole Assurances is specifically exposed to frequency risk and exceptional risk, whether originating from a catastrophe risk (particularly climatic) or the occurrence of individual incidents for significant amounts.

For distribution partners, underwriting policy defines the framework for accepting risk (to ensure appropriate selection of risks and the spread within the policy portfolio to optimise technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared to targets that are reviewed annually. This claims ratio is the key indicator for monitoring risk and is used to identify priorities for improving the technical result, where necessary.

Concentration risk in non-life insurance relates to an aggregation of liabilities in respect of a single claim, arising from:

- underwriting concentration in which insurance policies are written by one or more Group entities on the same risk;
- claim concentration, where policies are written by one or more Crédit Agricole Assurances Group entities on risks that are different, but liable to be triggered by a single covered event or the same primary cause.

This type of risk is hedged, first, by a policy of diversifying the risks written in a single region and, second, by reinsurance to limit the financial impact of major event (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

2. Provisioning risk

Provisioning risk is the risk of a gap between the provisions set aside and those required to meet liabilities. It may be related to risk valuation (volatility introduced by discount rates, regulatory changes, or new risks for which statistical depth is inadequate, etc.) or a change in risk factors (population ageing, for example, leading to increased long-term care risks or health issues, stricter laws governing professional liability insurance, personal injury compensation, and others).

The objective of the provisioning policy established in each of the companies is to guarantee a prudent assessment of loadings for past and projected claims to ensure a high probability that the accounting provisions set aside will be sufficient to cover the ultimate load.

The methods used to constitute provisions (on a case-by-case basis) for property and casualty insurance, according to the products and benefits affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The Statutory Auditors perform an actuarial review of provisions as part of the review of the annual financial statements.

The breakdown of technical reserves relating to life and non-life insurance contracts is presented in Note 6.23 to the Crédit Agricole Assurances consolidated financial statements.

3. Reinsurance risk

Reinsurance risks are of three types:

- inappropriate reinsurance (insufficient cover or, on the other hand, payment of too high a premium, which erodes technical margins and competitiveness);
- risk of a reinsurer defaulting and not being able to pay its share of the claims;
- no or virtually no reinsurance on a given activity or guarantee given (reinsurance offer, amounts that can be covered and the cost of cover, depending on market conditions that are liable to vary significantly).

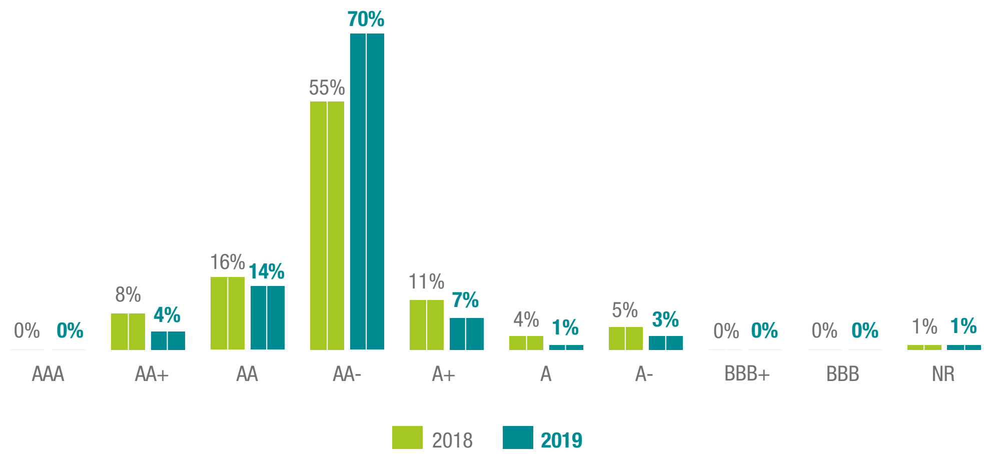
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the Company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- selecting reinsurers that meet minimum financial strength criteria, with reinsurers' ratings monitored at the Crédit Agricole Assurances Group level;
- ensuring adequate dispersion of premiums across reinsurers;
- monitoring the adequacy of reinsurance cover relative to the commitments to policyholders and of results on each reinsurance agreement.

The reinsurance plans are reviewed annually by the Board of Directors in each subsidiary.

Net outstandings ceded to reinsurers (ceded reserves and current accounts with reinsurers net of cash deposits received) totalled €1.3 billion at 31 December 2019, up from 2018.

Their breakdown by reinsurer rating is as follows:



4. Emerging risks

The Risk department is responsible for the ongoing monitoring of insurance risk, in cooperation with other business line departments and the Legal department.

The Risk Monitoring Committee, which meets twice monthly and is attended by all Risk Management and Permanent Controls Officers, is also tasked with anticipating developments in the regulatory and legal environment and identifying emerging risks.

This monitoring comes from many sources (economic research, internal and external analysis, in particular by consulting firms and research published by the French Regulatory and Resolution Supervisory Authority (ACPR), the European regulator – EIOPA, etc.).

V. Operational risk

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, human error, information systems or external events. It includes non-compliance risk, legal risk and the risks generated by key outsourced services (PSEE).

The Crédit Agricole Assurances entities apply the Group directives on operational and compliance risk management.

The operational risk management system in each entity, including the holding company, is thus comprised of the following components:

- a mapping of risk events, periodically updated to incorporate organisational changes, new activities and even changes in the cost of risk. It is based on a breakdown of activities into processes and the seven risk categories of the Basel 2 classification. The financial and non-financial (regulatory, image) impacts of these identified risk events, whether actual or potential, are assessed as well as their probability of occurrence, based on business expertise. Internal control is assessed on the basis of the results of controls at the different levels defined in the local control plans and standardised controls defined by Crédit Agricole S.A. Risk Management Group department and the findings of periodic controls to highlight the most critical net risks and prioritise actions plans to reduce them;
- a process of collecting data on risk-related incidents and operating losses, backed by an early-warning system, is used to monitor identified risks and use them to introduce remedial measures and ensure consistency with mapping. The amount of collected losses is compared each quarter to an annually defined alert threshold.

Crédit Agricole Assurances and its subsidiaries have prepared a Business Continuity Plans (BCP) focusing on essential activities in order to cover a failure of information systems, operational sites and staff. The business continuity plan meets Group standards, with the adoption of Group's solution for the user fall-back site, and an IT back-up plan based on the Group shared IT operating and production site. It is regularly tested. IT system security is an inherent component of the Group's security policies. A three-year programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is being implemented.

A Crédit Agricole Assurances Group-wide general subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, has been rolled out by Group entities.

VI. Non-compliance risks

Non-compliance risks refer to a potential lack of adherence to rules governing financial activities. These rules may be laws, regulations (Solvency 2, securities regulations, data protection, customer protection, or requirements to combat money laundering and the financing of terrorism, fighting of corruption, etc.), professional or ethics standards, and instructions from the executive body. These risks are identified in the operational risk mapping of each Crédit Agricole Assurances Group entity.

In each entity, the Compliance Officer is responsible for adapting Group procedures issued by Crédit Agricole S.A.'s Compliance department (Fides Corpus) and for developing procedures specific to that business. The Compliance Officer is also responsible for training and for the dedicated control system aimed at controlling these risks, preventing the risk of fraud and limiting potential impacts as an ongoing goal (financial losses, legal, administrative or disciplinary sanctions), while protecting the reputation of the Crédit Agricole Assurances Group. In this respect, the launch of new business activities and the creation of new products, are subject to enhanced security by referral to the New Activities and New Products Committees, established in each entity to review in particular the contractual and marketing documents for products, as well as the training materials and sales aids intended for distributors.

The management and supervision of their compliance system is carried out by the Crédit Agricole Assurances Group Compliance Officer. Coordination for the Insurance business is carried out through exchanges with the subsidiaries.

In all areas of compliance, from the prevention of money laundering and financing of terrorism to protecting customers, the Group has strengthened coordination with distributors (Regional Banks, LCL, other international networks) to ensure implementation of the controls to guarantee correct application of procedures by all parties.

The Crédit Agricole Assurances Group has realigned its organisation and its risk management policy to ensure compliance with the Solvency 2 regulation, as detailed in the Corporate governance section of the Crédit Agricole Assurances Registration Document.

VII. Legal risks

Responsibility for legal management, regulatory monitoring and consulting with the various Business line departments lies with the companies' Legal departments.

There are currently no governmental, legal or arbitration proceedings (or any proceedings known by the Company, suspended or threatened) that could have or has had, in the previous 12 months, any material effect on the financial position or profitability of the Company and/or of the Crédit Agricole Assurances Group.

To Crédit Agricole Assurances' knowledge, there is no significant litigation to note.

2.8 OPERATIONAL RISK

Operational risk is the risk of loss resulting from shortcomings or failure in internal procedures, staff, information systems or external events.

It includes legal risk, non-compliance risk, internal and external fraud risk, the model risk and risks generated by the use of outsourced services, including those that are key (*prestations de service essentielles externalisées* – PSEE).

I. Organisation and supervision system

The operational risk system, adjusted to each Group entity, comprises the following components common to the entire Group.

Organisation and governance of the Operational Risk Management function

- Supervision of the system by Executive Management (*via* the Operational Risk Committee or the operational risk unit of the Group Risk Management Committee and the Internal Control Committee);
- tasks of the Risk Management Officers (Crédit Agricole S.A. and its subsidiaries) and the Operational Risk Managers at local level in terms of management of the operational risk management system;
- responsibility of the entities in managing their own risks;
- set of standards and procedures;
- circulation of Crédit Agricole's Group risk tolerance policy implemented in 2015 and incorporating operational risk.

Identification and qualitative assessment of risks through risk mapping

Risk mapping is done annually by the entities and is used by each entity with a validation of the results and associated action plans by the Operational Risk Committee (operational risk unit of the Internal Control Committee) and a presentation to the Risk Committee of the Board of Directors.

This mapping is supplemented by the establishment of risk indicators to monitor the most sensitive processes.

Collection of operational loss data and an early-warning system to report significant incidents, which are consolidated in a database used to measure and monitor the cost of risk

The reliability and quality of the data collected are submitted to systematic audits both at the local and central levels.

Calculation and regulatory reporting of capital for operational risk at the consolidated and entity levels

The quarterly production of an operational risk dashboard at entity level, accompanied by a Crédit Agricole Group summary, taking into account the main sources of risks affecting the business lines and associated action plans for major incidents.

Tools

The RCP (Risk Management and Permanent Controls) platform contains the four essential elements of the system (collection of loss data, operational risk mapping, permanent controls and action plans) sharing the same framework and thus making it possible to establish a connection between the risk mapping systems and risk management system (permanent controls, action plans, etc.).

Regarding the IT system component used for the calculation and allocation of regulatory capital, the upgrade plan was continued along with a rationalisation of the databases, enhanced information granularity and the automation of the controls on data taken from COREP's regulatory statements to bring IT into line with best management principles defined by the Basel Committee.

These components are subjected to consolidated verifications at the central level.

In addition, the risks associated with key outsourced services are incorporated into each component of the Operational Risk system and are the subject of a specific report, as are the consolidated controls that are centrally communicated. The Crédit Agricole Group system is currently being adapted in accordance with the EBA guidelines on outsourcing arrangements, published in February 2019.

II. Methodology

The main entities of the Crédit Agricole Group use the advanced measurement approach (AMA): Crédit Agricole CIB, Amundi, LCL, Crédit Agricole Consumer Finance, Agos and the Regional Banks. The use of the AMA for these entities was approved by the French Regulatory and Resolution Supervisory Authority (ACPR) in 2007. These entities currently represent 81% of the capital requirement for operational risks.

For the entities that use the standardised approach (TSA), the regulatory weighting coefficients used in calculating the capital requirement are those recommended by the Basel Committee (percentage of revenues according to business line).

AMA regulatory capital requirement calculation

The AMA method for calculating capital requirements for operational risk has the following main objectives:

- to increase control over the cost of operational risk, and prevent exceptional risks across the various Group entities;
- to determine the level of capital needed for the measured risks;
- to promote improvements in risk management through the monitoring of action plans.

The systems implemented within the Group aim for compliance with all qualitative criteria (integration of risk measurement into day-to-day management, independence of the Risk function, periodic disclosure of operational risk exposures, etc.) and Basel 3 quantitative criteria (99.9% confidence interval over a one-year period; incorporation of internal data, external data, scenario analyses and factors reflecting the operating environment; incorporation of risk factors that influence the statistical distribution, etc.).

The AMA model for calculating capital requirements is based on a unique actuarial model called the **Loss Distribution Approach.**

Internal factors (change in the entity's risk profile) are considered according to:

- changes within the entity (organisational, new business activities, etc.);
- changes in risk mapping;
- an analysis of the history of internal losses and the quality of the risk management system, in particular *via* the permanent controls system.

For external factors, the Group uses:

- the ORX Insight external consortium database to monitor incidents recorded in other institutions;
- the SAS OpRisk and ORX News external public databases for:
  - raising awareness among the entities of the main risks that have impacted other institutions,
  - assisting experts in the valuation of the main Group vulnerabilities (key scenarios).

The model was designed and developed according to the following principles:

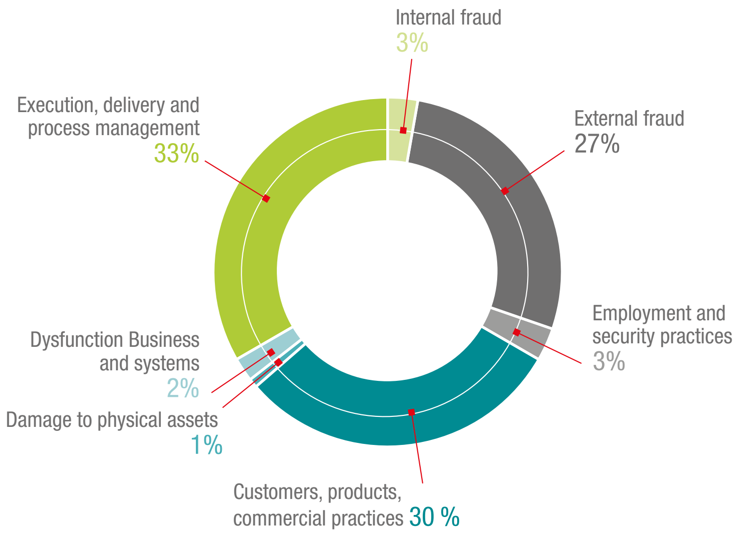
- it must form an integral part of the risk policy;
- it must be pragmatic, *i.e.* the methodology must be applicable to real operating conditions;
- it must have educational value, in order to be endorsed by Executive Management and the business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one financial year to the next.

A half-yearly committee for backtesting the Advanced Measurement Approach (AMA) model has been set up which analyses the model's sensitivity to changes in the risk profile of the entities. Every year, this committee identifies areas where improvements are possible, and draws up corresponding action plans.

The operational risk system and methodology have been subject to external audits by the ECB in 2015, 2016 and 2017. These missions made it possible to note the Group's progress, but also to complete the prudential approach relating to emerging risks (cyber risk, compliance/conduct risk).

III. Exposure

Breakdown of operational losses by Basel risk category (2017 to 2019)



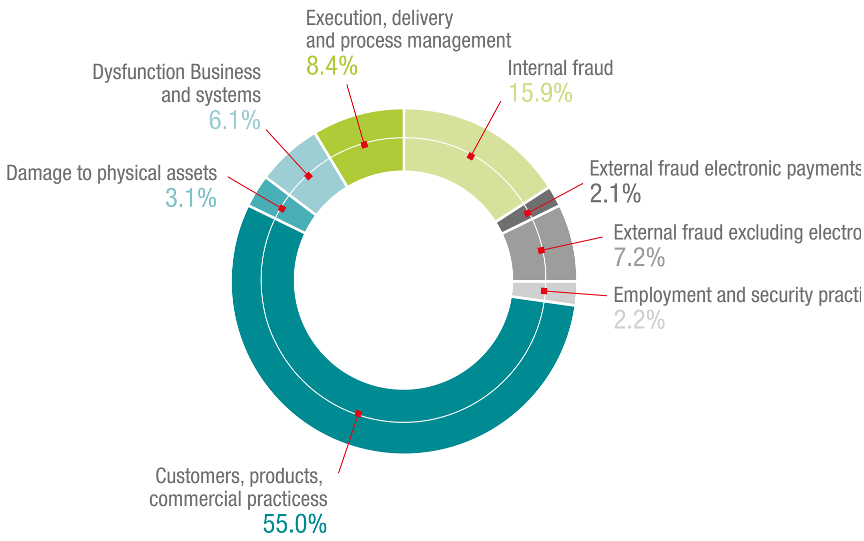
Generally, the exposure profile in terms of the operational risks identified over the last three years reflects the principal activities at Crédit Agricole Group:

- a primarily shared exposure:
  - on the one hand, to the Execution risk category, due to processing errors (absent or incomplete legal documentation, guarantee management, litigation with suppliers, input errors, etc.), but also due to tax sanctions,
  - exposure to the Customer category, notably marked by the recent decision of the Italian Competition Authority regarding FCA Bank SpA, as well as the decision of the Dutch mediator regarding the conditions for the review of the interest rates of revolving loans marketed by Crédit Agricole Consumer Finance Nederland B.V.;

- exposure to external fraud remains significant, mainly in connection with credit boundary operational risk (document fraud, fraudulent invoices, etc.), and with payment instruments fraud (bank cards, fraudulent transfers).

Remedial and preventive action plans at local or Group level were introduced to reduce the exposure of the Crédit Agricole Group to Operational Risk. Periodic monitoring of action plans for incidents with an impact higher than €5 million has been implemented since 2014 within the Group Operational Risk Committee and since 2016 in the Group Risk Management Committee.

Breakdown of risk-weighted assets by Basel risk category (2017 to 2019)



IV. Insurance and coverage of operational risks

The Crédit Agricole Group has obtained insurance coverage for its operational risks to protect its assets and profits. For high-intensity risks, Crédit Agricole S.A. has taken out insurance policies to cover itself and its subsidiaries with major insurance companies, and with CAMCA for the Regional Banks. These policies harmonise the transfer of personal and property risks and the setting up of specific professional liability and fraud insurance programmes for each business line. Lower intensity risks are managed directly by the relevant entities.

In France, third-party civil liability risks are covered by Operating, General and Professional Liability policies. It should be noted that property and casualty insurance for operating assets (property and IT equipment) also includes third-party liability coverage for all buildings exposed to this risk.

Insurance policies for operating losses, fraud and securities risks, Group professional liability, and civil liability for Executives and Non-Executive Corporate Officers were renewed in 2019.

“Basel 2 eligible” policies contribute to reducing the capital requirement for operational risks (within the 20% authorised limit).

High-frequency and low-intensity risks that cannot be insured on satisfactory financial terms are retained in the form of deductibles or are pooled within the Crédit Agricole Group.

2.9 NON-COMPLIANCE RISKS

Compliance is defined as a set of rules and initiatives aimed at ensuring **compliance with all laws and regulations** specific to banking and financial activities, **professional and ethics standards and practices,** the fundamental principles set out in the Group's **code of ethics** and the instructions, **Codes of Conduct** and procedures internal to Group entities in relation to the areas covered by Compliance. These include in particular the fight against money laundering and terrorist financing, compliance with international sanctions (embargoes, asset freezes, etc.), prevention of internal and external fraud, the fight against corruption and the exercise of the right to alert, respect for the integrity of financial markets, customer protection, tax compliance rules and the protection of personal data.

In addition to meeting regulatory requirements and the expectations of all its stakeholders (customers, members, shareholders, employees), the Crédit Agricole Group has set itself the objective of **making Compliance a differentiating asset in the service of customer satisfaction, development and sustainable performance.** To this end, the Compliance department has launched the Smart Compliance strategic road map, aimed at giving the Compliance function, which is now organised and structured, a more operational mandate in terms of serving the departments and entities, **while maintaining its key control role.** The vision of Smart Compliance has two thrusts, a defensive thrust aimed at protecting the Group from regulatory and image risk, and an offensive thrust whereby all internal stakeholders, from back office to front office, commit to providing customers with quality and loyalty. Three vectors contribute to the success of this approach. Firstly, organisation and governance in the broadest sense, including communication. Secondly, the "human" vector, which includes making employees accountable and providing them with training opportunities. Lastly, there is the vector that leverages innovation, technology and data use for the benefit of compliance.

The Crédit Agricole Group has defined and implemented an updated, adequate and proportionate **non-compliance risk management system** that involves all stakeholders (employees, management, control functions including Compliance). This system is based in particular on organisations, procedures, information systems or tools used to identify, assess, monitor and control these risks and to determine the necessary action plans. Reports on the system are provided to the governance bodies of the entities and the Group. A dedicated monitoring system ensures that these risks are controlled and that their impact in terms of financial losses, or legal, administrative or disciplinary sanctions, is minimised, with the ongoing goal to preserve the Group's reputation.

This system is structured and deployed by the Crédit Agricole Group's Compliance business line. It is placed under the authority of the Group Head of Compliance, who reports directly to the Chief Executive Officer of Crédit Agricole S.A. To **develop integration of the sector and guarantee the independence of these roles,** the Compliance Officers of Crédit Agricole S.A. subsidiaries report hierarchically to the Group Head of Compliance, unless prevented by local law. A functional coordination link was also implemented with the Regional Banks, either at Compliance Control Officer (CCO) level, when he or she reports directly to the entity's Executive Management, or at Risk Management level when Compliance falls within its scope. At end-2019, these positions were held by 1,500 full-time equivalent employees within Crédit Agricole S.A., its subsidiaries and the Regional Banks.

The Group Compliance department of Crédit Agricole S.A. (DDC) is responsible for developing **Group policies** with respect to observance of laws and regulations and ensures they are properly disseminated and applied. To this end, it has teams **specialised by area of expertise:** financial market compliance, customer protection, financial security, fraud and corruption. A project team is also dedicated to managing the deployment of all commitments made by the Crédit Agricole Group under the OFAC remediation plan (see below). As part of the entry into force of the European Regulation on the Protection of Personal Data (GDPR), the Group Data Protection Officer (DPO) reports directly to the Head of Group Compliance and is in charge of managing the **DPO division of Crédit Agricole.**

The DDC also leads and **supervises the DPO division.** Within the Compliance business line, each Compliance Officer updates a mapping of non-compliance risks, consolidated by the Group Compliance department. The control of non-compliance risks is more broadly based on a system that integrates permanent indicators and controls regularly deployed within the entities. GDC therefore provides Group-level supervision (including reporting of customer complaints or analyses of compliance failures).

Finally, the system is organised around a governance structure that is fully integrated into the Group's internal control framework. The **Group Compliance Management Committee,** chaired by Executive Management, holds a plenary meeting every two months. It makes the decisions required to prevent non-compliance risks and to implement and monitor corrective measures following the reporting of irregularities to the Committee. Non-compliance risks and the decisions taken to control them are regularly presented to the Risk Committee of the Board of Directors of Crédit Agricole S.A.

The system for controlling non-compliance risks is based primarily on the dissemination of a solid **culture of ethics and compliance** among all Group employees and managers. The culture of ethics and compliance, underpinned by the Group's **code of ethics,** is common to all Group entities and promotes the Group's values of customer focus, accountability and solidarity. The spreading of this culture of ethics also relies on **awareness-raising and training activities** with regard to the challenges and risks of non-compliance that strongly mobilise the Compliance department, and more broadly all Group stakeholders: employees, managers and Board members. Training modules and materials – general or intended for employees who are at a higher risk of exposure – cover all areas of day-to-day compliance, fraud prevention and detection, personal data protection, the fight against money laundering and the prevention of terrorist financing, as well as international sanctions.

In an extension of the code of ethics, the entities have a **Code of Conduct,** which disseminates the principles of the code of ethics at an operational level. The Code of Conduct applies to everybody – Board members, Executive Officers and employees of the entity, regardless of their situation and function. The Code of Conduct is designed to guide everyone's actions, decisions and behaviour on a daily basis by incorporating behavioural rules to deal with ethical issues that anyone might encounter during their professional and non-professional assignments. As part of the approach to controlling the risks of non-compliance, it also includes a specific "anti-corruption" component in application of the obligations arising from the Sapin II law, relating to the prevention of corruption and influence peddling.

The Crédit Agricole Group continues to be committed to the fight against corruption. In 2016 its anti-corruption system was awarded BS 10500 certification by SGS (a specialist in anti-corruption control, verification, testing and certification), and in July 2017 the Crédit Agricole Group became the **first French bank to obtain ISO 37001 certification for anti-corruption** in a further reflection of the attention it pays to this issue. The ISO 37001 certification was renewed in July 2019 following a full audit of the Group. Anti-corruption initiatives conducted over 2018 and 2019 also saw the completion of the operational implementation of the Sapin II law with regard to preventing corruption and protecting whistle-blowers.

Controlling risks related to financial security requirements, and in particular international sanctions, is a high priority for the Group. They are part of a major project to strengthen the international sanctions management system, the **OFAC remediation plan,** as a result of agreements signed with the American authorities on 19 October 2015 following breaches of the "OFAC Sanctions" regime for USD transactions between 2003 and 2008. This remediation plan was approved by the Fed on 24 April 2017 and is subject to close monitoring and regular reporting to the Group's governance and the US authorities. Criminal proceedings against Crédit Agricole

Corporate and Investment Bank were terminated on 19 October 2018. Crédit Agricole Corporate and Investment Bank, like the entire Crédit Agricole Group, remains fully committed to ensuring the success of the Group's OFAC programme vis-à-vis the Fed by April 2021. Application of the civil component of the agreements continues, with work under way throughout the entire Crédit Agricole Group. Major accomplishments in 2019 included the **enhancement of data on risky customers** and **the centralisation on the Group's platforms of the screening of customers and third parties of the retail banking entities in France.**

Moreover, **customer knowledge and anti-money laundering and terrorist financing prevention systems** are the subject of ongoing action plans to take into account changes in risks, regulatory requirements and supervisory authorities. For example, 2019 was an opportunity to reposition the Know Your Customer (KYC) road map by gearing it towards the Group's various customer segments. A new KYC standard was rolled out and tools were developed to assist with the set-up of new customer relationships. These tools have initially been deployed within the scope of the Regional Banks. The reliability of customer databases continues to be improved in order to ensure the quality of essential identity data and allow effective screening of these databases. Remedial action currently under way must also improve the level of customer knowledge over the long term to make it a loyalty factor and prevent and detect risks, especially money-laundering and terrorist financing. At the same time, work has begun at all Group entities to compile key elements for periodically reviewing the KYC and to publish a related standard in the first quarter of 2020. Finally, the Group launched a project to deploy the KYC more widely and systematically and identified the deployment priorities for 2020.

Also in 2019, the Group consolidated its programme related to the European **personal data protection** regulation (GDPR). The programme deployed in 2018 in compliance with the new requirements was scaled up and adjusted appropriately, while Privacy by Design was incorporated as part of the Group's data and project governance.

Finally, **customer protection** remains a stated priority for the Group and is fully enshrined in the "Relationship Excellence" and "Social Engagement" components of the 2022 Group Project. In 2019 the Group finalised the deployment of the MiFID II, PRIIPs and IDD regulations throughout its operational processes. Furthermore, the Group strengthened the banking inclusion mechanism by introducing appropriate governance, revamping training modules and implementing an *ad hoc* control plan. Lastly, the Group put "product" governance at the centre of its measures for achieving relationship excellence, turning it into a major instrument for loyalty and transparency of the offers and services provided to customers.

PILLAR 3 DISCLOSURES

Key indicators at Group consolidated level – Crédit Agricole Group (KM1)

	(in millions of euros)	31/12/2019
	Available own funds (amounts)	
1	Common Equity Tier 1 (CET1) capital	89,052
2	Tier 1 capital	94,173
3	Total capital	107,681
	Risk-weighted exposure amounts	
4	Total risk-weighted exposure amount	559,009
	Capital ratios *(as a percentage of risk-weighted exposure amount)*	
5	Common Equity Tier 1 ratio *(%)*	15.9%
6	Tier 1 *ratio (%)*	16.8%
7	Total capital ratio *(%)*	19.3%
	Additional own funds requirements based on SREP *(as a percentage of risk-weighted exposure amount)*	
EU 7a	Additional CET1 SREP requirements *(%)*	1.5%
EU 7b	Additional AT1 SREP requirements *(%)*	0.0%
EU 7c	Additional T2 SREP *requirements (%)*	0.0%
EU 7d	Total SREP own funds requirements (%)	9.5%
	Combined buffer requirement *(as a percentage of risk-weighted exposure amount)*	
8	Capital conservation buffer *(%)*	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State *(%)*	0.0%
9	Institution specific countercyclical capital buffer *(%)*	0.20%
EU 9a	Systemic risk buffer *(%)*	1.0%
10	Global Systemically Important Institution buffer *(%)*	
EU 10a	Other Systemically Important Institution buffer	
11	Combined buffer requirement *(%)*	3.7%
EU 11a	Overall capital requirements (%)	13.2%
	Leverage ratio	
13	Leverage ratio total exposure measure	1,657,819
14	Leverage ratio	5.7%
	Liquidity coverage ratio	
15	Total high-quality liquid assets (HQLA) *(weighted value – average)*	223,194
16	Total net cash outflows (adjusted value)	173,272
17	Liquidity coverage ratio (%)	128.8%

1. COMPOSITION AND MANAGEMENT OF CAPITAL

Within the framework of Basel 3 agreements, (EU) regulation No. 575/2013 of the European Parliament and of the Council of 26 June 2013 (Capital Requirements Regulation said "CRR") modified by CRR No. 2019/876 (known as "CRR 2") requires relevant financial institutions (notably credit institutions and investment firms) to disclose quantitative and qualitative information on their risk management activities. The risk management system and exposure levels of Crédit Agricole Group are presented in this section and in the "Risk management" section.

The Basel 3 agreements are categorised into 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 internal approaches (see section 1.7.4: "Adequacy of economic capital");
- **Pillar 3** introduces standards for financial disclosure to the market, with the aim to give details of the regulatory capital components and risk assessments, both for the regulations applied and the business during the period.

Crédit Agricole S.A. has chosen to publish its Pillar 3 disclosures in a separate section from its Risk Factors and Risk Management in order to isolate the items that meet the regulatory publication requirements.

The main purpose of solvency management is to assess Crédit Agricole Group's own funds and to verify that they are sufficient to cover the risks to which Crédit Agricole S.A. is or could be exposed, given its activities.

The objective is to secure its customers' deposits and allow the Group access to the financial markets under the desired conditions.

To achieve this objective, the Group measures regulatory capital requirements (Pillar 1) and conducts regulatory capital management, by relying relies on both short- and medium-term prospective measures that are consistent with the budgetary projections, based on a central economic scenario.

Moreover, the Group relies on an internal process, named ICAAP (Internal Capital Adequacy and Assessment Process), which has been developed in accordance with the interpretation of the main regulatory texts specified below. More specifically, the ICAAP includes:

- the governance of capital management, adapted to the specificities of the Group's subsidiaries, which enables centralised and coordinated monitoring at Group level;
- a measurement of economic capital requirements based on the risk identification process and quantification of capital requirements using an internal approach (Pillar 2);
- conducting ICAAP stress test exercises that aim to simulate the destruction of capital after a three-year adverse economic scenario;
- the management of economic capital (see section 1.7.4: "Adequacy of economic capital");
- a qualitative ICAAP mechanism that formalises, amongst other items the major areas for risk management improvement.

ICAAP is highly integrated within the Group's other strategic processes, such as the ILAAP (Internal Liquidity Adequacy and Assessment Process), risk appetite, budget process, recovery plan and risk identification.

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

Lastly, the solvency and resolution ratios are an integral part of the risk appetite framework applied within Crédit Agricole Group (described in Chapter 5 "Risk Factors and Risk management").

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, has entered into force 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. It includes directive 2013/36/EU (the Capital Requirements Directive, known as "CRD 4") and regulation 575/2013 (the Capital Requirements Regulation, known as "CRR") and entered into force on 1 January 2014, in accordance with the transitional provisions specified in the legislation.

Directive 2014/59/EU, the Bank Recovery and Resolution Directive (known as "BRRD"), was published in the Official Journal of the European Union on 12 June 2014 and has been in effect in France since 1 January 2016. The European Single Resolution Mechanism Regulation (known as "SRMR", Regulation 806/2014) was published on 15 July 2014 and came into effect on 19 August 2016, in accordance with the transitional provisions specified in the legislation.

On 7 June 2019, four pieces of legislation constituting the banking package were published in the Official Journal of the European Union:

- CRR 2: Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013;
- 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;
- BRRD 2: Directive (EU) 2019/879 of the European Parliament and of the Council of 20 May 2019 amending Directive 2014/59/EU.

The BRRD 2 and CRD 5 directives will be transposed into French law no later than 28 December 2020. Regulations SRMR 2 and CRR 2 entered into force 20 days after their publication, *i.e.* on 27 June 2019 (although not all the provisions are immediately applicable).

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

- the Common Equity Tier 1 (CET1) ratio;
- the Tier 1 (T1) ratio;
- the total capital ratio;
- the leverage ratio (which is to become a Pillar 1 regulatory requirement from June 2021).

A phasing-in period of calculation for these ratios shall permit to take into account:

- the transition from Basel 2 calculation rules to Basel 3 rules (the transitional provisions applied to own funds until 1 January 2018 and apply to hybrid debt instruments until 1 January 2022);
- the eligibility criteria defined by CRR 2 (until 28 June 2025 as equity investments are concerned).

A fully loaded view of the ratios, as if the regulatory changes were of immediate application, is also published.

In addition, two ratios are used to assess the adequacy of loss absorption and recapitalisation capacities in the context of bank resolution:

- the TLAC (Total Loss Absorbing Capacity) ratio, defined for Global Systemically Important Financial Institution(G-SII) and applicable in the European Union through its integration into the CRR 2;
- the MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio, applicable to all banking institutions in the European Union and defined in the BRRD.

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

1.2 Supervision and regulatory scope

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 and Resolution Supervisory Authority (ACPR) has accepted that certain subsidiaries of the Group may benefit from individual exemption or, as necessary, on a sub-consolidated basis under the conditions specified by Article 7 of the CRR regulation. Accordingly, 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.

The detailed list of entities concerned by a difference between the accounting and prudential scopes is detailed in section 1.8 "Appendix to the regulatory capital".

1.3 Capital Policy

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

1.3.1 Crédit Agricole Group

Crédit Agricole Group aims to remain among the most capitalised global systemically important institutions (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 (excluding preferred senior debt) of 24% to 25% of risk-weighted assets by the end of 2022 and to maintain a subordinated MREL ratio (excluding preferred senior debt) of at least 8% of the TLOF (Total Liabilities and Own Funds).

Achieving these two targets will confirm the robustness and strong financial position of Crédit Agricole Group, thus reinforcing the security of its customers' deposits, its market access conditions, and its rating in respect of ratings agencies.

1.3.2 Crédit Agricole S.A.

Crédit Agricole S.A. has set itself the objective of a CET1 ratio of 11% over the plan period. It is committed to a cash payout ratio of 50%.

In an uncertain economic and regulatory context, this model results in a balance between an attractive distribution policy for shareholders and an agile capital allocation and it provides sufficient room for manoeuvre in order to finance half of the unwinding of the Switch guarantee system by the end of 2022 with a positive impact on Crédit Agricole S.A. income. This level of capital also ensures compliance with the SREP P2G recommendation (see 1.7.1.1 "Regulatory prudential requirements".)

1.3.3 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.

1.3.4 Subsidiaries

Subsidiaries under Crédit Agricole S.A.'s 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.

1.4 Governance

The Capital Management Committee meets quarterly, chaired by the Deputy General Manager, Chief Financial Officer; it includes in particular the Group Chief Risk Officer, the Head of Group Financial Management, the Head of Financial Communication and the Group Head of Treasury and Funding.

This Committee has the following main tasks:

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

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 size of the balance sheet) over the current Medium-Term Plan, covering both scopes of consolidation (the listed entity Crédit Agricole S.A. 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, if applicable).

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 targets defined in line with the Group's strategy.

It determines the leeway available to the Group for development. It is also used to set various risk thresholds used for risk appetite. It thus ensures compliance with the various regulatory requirements and is used to calculate the Maximum Distributable Amount (MDA), as defined by CRD 4.

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

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

1.5 Financial conglomerate

1.5.1 Overall system

The European Directive of 16 December 2002 imposes supplementary consolidated supervision on "financial conglomerates", in particular those carrying out both banking and insurance activities.

In particular, these regulations require the financial conglomerate to have in place risk management procedures and appropriate internal control systems for overall risk monitoring.

The Conglomerate approach is relevant to Crédit Agricole Group, as it corresponds to the Group's natural scope, which combines banking and insurance activities, as well as to its internal governance (reflected in particular through the Risk Appetite framework). In addition, the ICAAP approach of Crédit Agricole Group is based on a conglomerate approach to define both the economic capital requirement and the internal capital available at Group level to cover this requirement.

For conglomerate supervision, Crédit Agricole Group relies on three regulatory scopes:

- the banking scope (Basel 3) – *banking ratios;*
- the insurance scope (Solvency 2[1]) – *insurance solvency ratio;*
- the conglomerate scope – *financial conglomerate ratio.*

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

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:

- a restatement is made in both the numerator and the denominator for the intragroups related to equity investments;

(1) Solvency 2 is a European regulatory reform of the insurance industry.

- the financial conglomerate's capital include the insurance subsidiary's own funds raised outside the scope of consolidation;
- the denominator includes the banking and insurance activities according to their respective regulatory solvency requirements, thus taking into account the actual specific risks related to each of these two business segments.

The conglomerate ratio must at all times be greater than 100%. The 100% threshold remains a binding requirement, the non-compliance with which would be detrimental: in case of non-compliance or risk of non-compliance with the financial situation of a conglomerate, the necessary measures must be taken to remedy the situation as soon as possible (according to the European FICOD Directive 2002/87).

At 31 December 2019, Crédit Agricole Group's phased-in financial conglomerate ratio, which includes the Solvency 2 requirement relating to the equity interest in Crédit Agricole Assurances, was 160%, a level well above the minimum 100% regulatory requirement, including the Decree of 24 December 2019 authorising the inclusion of the Policyholder Participation Reserve (*provision pour participation aux excédents* – PPE) in the equity of insurance companies, up to the amount required to cover the risks to which the insurance company is or might be exposed (Solvency Capital Requirement, or SCR). This ratio corresponds to a surplus of own funds of the financial conglomerate of the Crédit Agricole Group of €48.5 billion.

This situation follows logically from compliance with the solvency requirements of each of the two sectors, banking and insurance.

1.5.2 Prudential requirements with respect to insurance in banking ratios

Financial conglomerates may, with the authorisation of the competent authority, use the option not to deduct their equity holdings in insurance companies from their regulatory capital but to treat them as risk-weighted assets. This provision, known as the "Danish compromise" (or Article 49-(1) of the CRR) has not been amended by CRR 2 (Regulation (EU) 2019/876 of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No. 575/2013).

On 18 October 2013, Crédit Agricole Group and Crédit Agricole S.A. received authorisation from the ACPR to apply this treatment to Crédit Agricole Assurances Group entities.

Risk-weighted assets include the equity-accounted value of insurance investments for the validated conglomerate scope, pursuant to Article 49-(1) of the CRR. Due to the unlisted status of Crédit Agricole Assurances (CAA), the weighting given to this value is 370%.

The table below shows the amount of holdings covered under Article 49-(1) of the CRR.

Non-deducted equity holdings in insurance companies (INS1)

(in millions of euros)	31/12/2019
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)	9,335
Holdings of own funds instruments of a non-financial sector entity belonging to the general assets of the insurance and consolidated using the equity-accounted method where the institution has a significant investment not deducted from own funds (before risk weighting)	3,959
TOTAL RISK-WEIGHTED ASSETS (RWA)	**49,189**

1.5.3 ICAAP approach of the Group

In order to assess and permanently maintain the adequate capital level to cover the risks to which it is (or may be) exposed, the Group supplements the measurement of regulatory capital requirements (Pillar 1) with a measurement of economic capital requirement based on the risk identification process and on the evaluation using internal approaches (Pillar 2). The assessment of economic capital requirement is one of the ICAAP components, which also covers the stress test programme aiming to introduce a forward-looking view of the impact of more unfavourable scenarios on the Group's risk level and solvency.

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

- Basel agreements;
- CRD 4 through its transposition into French regulations by the Decree of 3 November 2014 (pending the transposition of CRD 5);
- the guidelines of the European Banking Authority; and
- the guide to the ICAAP and ILAAP and the harmonised collection of information on the subject.

ICAAP is first and foremost an internal process, and it is up to each institution to implement it in a proportionate and credible manner. Each subsidiary is responsible for ICAAP implementation and updating.

1.6 Regulatory capital and internal capital

1.6.1 Regulatory 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 (AT1) capital;
- total capital, consisting of Tier 1 capital and Tier 2 capital.

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

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 sale purposes and translation adjustments;
- 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 capital compared to the amount required to cover the subsidiary's capital requirements and applies to each tier of capital;
- deductions, which mainly include the following items:
  - CET1 instruments held under the liquidity contract and buyback programmes,
  - mutual shares awaiting repayment,
  - intangible assets, including start-up costs and goodwill,
  - prudent valuation, which consists of adjusting the amount of the assets and liabilities of the institution if, in accounting terms, it does not reflect a valuation that is deemed to be prudent by the regulations,
  - deferred tax assets (DTA) that rely on future profitability arising from tax losses carried forward,

- inadequate provisions in relation to the expected losses for exposures monitored using the internal ratings-based (IRB) approach, as well as anticipated losses related to exposures in the form of equities,
- capital instruments held in equity investments of less than or equal to 10% (known as minor investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of CET1 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology),
- deferred tax assets that rely on future profitability arising from temporary differences for the amount exceeding an individual ceiling of 10% of the institution's CET1 capital; items not deducted are included in risk-weighted assets (weighting at 250%),
- CET1 instruments held in equity investments of more than 10% (known as significant investments) for the amount exceeding an individual ceiling of 10% of the institution's CET1 capital; items not deducted are included in risk-weighted assets (weighting at 250%),
- the sum of deferred tax assets that rely on future profitability arising from temporary differences and CET1 instruments held in equity investments of more than 10% (known as significant investments) for the amount exceeding a joint ceiling of 17.65% of the establishment's CET1 capital, after calculation of the individual ceilings set out above; items not deducted are included in risk-weighted assets (weighting at 250%), and
- 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).

Reconciliation of equity to CET1 capital

(in millions of euros)	31/12/2019	31/12/2018
EQUITY – GROUP SHARE(1)	**114,972**	**106,717**
(-) Expected dividend	**-1,114**	**-1,085**
(-) AT1 instruments accounted as equity	**-5,134**	**-5,011**
Minority interests (accounting value)(1)	6,562	5,471
(-) components excluded from regulatory capital(2)	-3,030	-2,803
Eligible minority interests(3)	**3,532**	**2,668**
(-) Equity value increases resulting from securitized assets	-321	-180
Cash flow hedge reserves	-533	-296
(-) Cumulative gains and losses attributable to changes in own credit risk for liabilities measured at fair value	174	114
(-) Fair value gains and losses resulting from the institution's own credit risk related to derivative instruments in liabilities	-15	-40
(-) Prudent valuation	-1,439	-1,657
Prudential filters	**-2,134**	**-2,059**
Goodwill	-16,525	-16,654
Intangible assets	-2,842	-1,960
(-) Deduction of goodwill and intangible assets	**-19,367**	**-18,614**
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	**-138**	**-203**
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach	**-437**	**-393**
Amount exceeding thresholds	**0**	**0**
Other CET1 components	**-1,128**	**-1,021**
COMMON EQUITY TIER 1 (CET1)	**89,052**	**80,999**

(1) Information covered by the Statuary Auditors' opinion.

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

(3) This item can be found in the hereunder table of simplified prudential equity capital.

Additional Tier 1 (AT1) capital

This includes:

- eligible AT1 capital, which consists of perpetual debt instruments without any redemption incentive or obligation (in particular step-up clauses);
- direct deductions of AT1 instruments (including market-making);
- deductions of capital instruments held in equity investments of less than or equal to 10% (known as minor investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of AT1 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology);
- deductions of AT1 instruments held in equity investments of more than 10% (known as significant investments);
- other AT1 capital components or other deductions (including AT1 eligible non-controlling interests).

AT1 instruments eligible under CRR No. 575/2013 as amended by CRR No. 2019/876 (CRR 2) include a loss absorption mechanism that is triggered when the CET1 ratio is below a threshold that must be set at no lower than 5.125% for Crédit Agricole S.A. and 7% for the CET1 ratio of Crédit Agricole Group. Instruments may be converted into equity or suffer a reduction in their nominal value. Payments must be totally flexible: no automatic compensation mechanisms and/or suspension of coupon payments at the issuer's discretion are permitted.

The amount of AT1 instruments used in fully loaded ratios corresponds to AT1 capital instruments eligible under CRR No. 575/2013, as amended by CRR No. 2019/876 (CRR 2).

The AT1 instruments issued by Crédit Agricole S.A. have two loss absorption mechanisms that are triggered when at least one of these two following conditions is met:

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

At 31 December 2019, the CET1 ratios of Crédit Agricole S.A. and of Crédit Agricole Group were 12.1% and 15.9%, respectively. These ratios represent capital buffers of €22.6 billion for Crédit Agricole S.A. and €49.9 billion for the Crédit Agricole Group relative to the loss absorption thresholds of 5.125% and 7% respectively.

At 31 December 2019, there were no applicable restrictions on the payment of coupons.

At the same date, the distributable items of Crédit Agricole S.A. entity totalled €38.8 billion, including €26.3 billion in distributable reserves and €12.5 billion in share premiums.

The CRR 2 regulation adds eligibility criteria. For example, instruments issued by an institution established in the European Union that are subject to the law of a third country must include a bail-in clause in order to be eligible. These provisions apply to each category of AT1 and Tier 2 capital instruments.

The details of these instruments are published at https://www.credit-agricole. com/en/finance/finance/financial-information in Appendix II "Main characteristics of capital instruments" and correspond to Deeply Subordinated Notes (*titres super-subordonnés* – TSS).

Tier 2 capital

This includes:

- subordinated debt instruments, which must have a minimum maturity of five years and for which:
  - early redemption incentives are prohibited,
  - a haircut applies during the five-year period prior to their maturity date;
- deductions of directly held Tier 2 instruments (including market-making);
- the surplus provisions relative to expected eligible losses determined in accordance with the internal ratings-based approach, limited to 0.6% of risk-weighted assets under IRB;
- deductions of capital instruments held in equity investments of less than or equal to 10% (known as minor investments), for the amount exceeding a ceiling of 10% of the CET1 capital of the subscribing institution, up to the proportion of Tier 2 instruments in the total capital instruments held; items not deducted are included in risk-weighted assets (variable weighting depending on the nature of instruments and the Basel methodology);
- deductions of Tier 2 instruments held in equity investments of more than 10% (known as significant investments), predominantly in the insurance sector;
- Tier 2 capital components or other deductions (including Tier 2 eligible non-controlling interests).

The amount of Tier 2 instruments used in fully loaded ratios corresponds to Tier 2 capital instruments eligible under CRR No. 575/2013, as amended by CRR No. 2019/876 (CRR 2).

For clarity, details of these instruments are published at https://www.credit-agricole.com/en/finance/finance/financial-information in Appendix II "Main characteristics of capital instruments". They correspond to undated subordinated notes (*titres subordonnés à durée indéterminée* – TSDI), equity investments (*titres participatifs* – TP) and dated subordinated notes (*titres subordonnés remboursables* – TSR).

Transitional implementation

To facilitate compliance by credit institutions with CRR 2/CRD 4 (pending the transposition of CRD 5), less stringent transitional provisions have been provided for, notably with the gradual 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 under CRD 3 and are no longer eligible as capital following the entry into force of CRD 4 may be eligible, in certain circumstances, under the grandfather clause:

- any instrument issued after 31 December 2011, which does not comply with the CRR regulation has been excluded since 1 January 2014;
- instruments issued prior to that date may, in certain circumstances, be eligible for the grandfather clause and are then gradually excluded over an eight-year period, decreasing by 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 equity capital tier (from AT1 to Tier 2, for example) if it meets the corresponding criteria.

CRR 2 complements these provisions by introducing a new grandfather clause: ineligible instruments issued before 27 June 2019 will remain eligible under transitional provisions until 28 June 2025.

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 before 27 June 2019;
- a fraction of the CRR ineligible Tier 1 issued before 1 January 2014, equal to the lower of:
  - the regulatory amount of ineligible Tier 1 instruments at the end of the reporting period (after any calls, redemptions, etc.),
  - 30% (regulatory threshold for 2019) of the Tier 1 stock at 31 December 2012, which stood at €9,313 million, *i.e.* a maximum recognisable amount of €2,794 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.

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 instruments issued before 27 June 2019;

- a fraction of the CRR ineligible Tier 2 issued before 1 January 2014, equal to the lower of:
  - the regulatory amount of ineligible Tier 2 securities at the reporting period-end 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.

Position at 31 December 2019

Simplified regulatory capital

	31/12/2019		31/12/2018	
(in millions of euros)	Phased-in	Fully loaded	Phased-in	Fully loaded
Capital instruments eligible as CET1 capital	22,544	22,544	21,702	21,702
Retained earnings and other reserves	83,384	83,384	77,858	77,858
Accumulated other comprehensive income	3,011	3,011	1,232	1,232
Minority interests (amount allowed in consolidated CET1)	3,532	3,532	2,668	2,668
Capital instruments and reserves	**112,471**	**112,471**	**103,460**	**103,460**
Prudential filters	(2,134)	(2,134)	(2,059)	(2,059)
(-) Deduction of intangible assets	(19,367)	(19,367)	(18,614)	(18,614)
Amount exceeding thresholds(1)	-	-	-	-
Other CET1 components	(1,918)	(1,918)	(1,788)	(1,788)
Regulatory adjustments	**(23,419)**	**(23,419)**	**(22,461)**	**(22,461)**
COMMON EQUITY TIER 1 (CET1)	**89,052**	**89,052**	**80,999**	**80,999**
Eligible AT1 capital instruments	3,816	3,816	5,260	5,260
Ineligible AT1 capital instruments qualifying under grandfathering clause	1,908	-	1,763	-
Holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities	(107)	(107)	(123)	(123)
Other Tier 1 components	(496)	(195)	(127)	(128)
ADDITIONAL TIER 1 CAPITAL	**5,121**	**3,514**	**6,773**	**5,009**
TIER 1 CAPITAL	**94,173**	**92,566**	**87,772**	**86,008**
Eligible Tier 2 capital instruments	15,756	15,756	14,545	14,545
Ineligible Tier 2 capital instruments under grandfathering clause	193	-	344	-
Surplus provisions relative to expected losses eligible under the internal ratings-based approach(2)	1,552	1,552	1,526	1,526
Holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities	(3,824)	(3,824)	(2,715)	(2,715)
Other Tier 2 components	(169)	(164)	(163)	(163)
TIER 2 CAPITAL	**13,508**	**13,320**	**13,537**	**13,193**
TOTAL CAPITAL	**107,681**	**105,886**	**101,309**	**99,201**

(1) *Financial-sector CET1 instruments in which the institution holds a significant stake account for €2,983 million, and the deferred taxes that rely on future profitability arising from temporary differences amount to €1,367 million as at 31 December 2019.*

(2) *The transfer to Tier 2 of the surplus provisions relative to eligible expected losses determined in accordance with the internal ratings-based approach is limited to 0.6% of risk-weighted assets under IRB.*

For clarity, the full table of the composition of capital is presented under Pillar 3, available at https://www.credit-agricole.com/en/finance/finance/financial-information.

Changes during the period

Common Equity Tier 1 (CET1) capital stood at €89.1 billion at 31 December 2019 and shows an increase of €8.1 billion compared to the end of financial year 2018.

Details of changes are shown under detailed ratios categories:

- capital instruments and reserves increased to €112.5 billion, up €9.0 billion compared to end-2018, mainly stemming from the prudential result retained for €6.2 billion and the positive impact of unrealised capital gains and losses up €1.8 billion and non-controlling interests up €0.9 billion, and issuance of mutual shares for €0.7 billion. Conversely, the AT1 coupons weigh on the CET1 to the tune of €0.6 billion. With regard to income, it is marked notably by two specific elements: notably the positive decision of the French Council of State on Emporiki (+€1 billion); the partial impairment of LCL's goodwill (-€0.6 billion) is neutral on the ratio due to the goodwill deduction;
- supervisory filters vary very little (negative impact of less than €0.1 billion);

- deductions of goodwill and other intangible assets amounted to €19.4 billion, up €0.8 billion, mainly stemming from the acquisition and absorption of ProFamily by Agos, the acquisition of Santander Securities Services subsidiaries by CACEIS (merger of the institutional custody and asset servicing activities), and the other way around, the aforementioned impact of the partial impairment of LCL's goodwill, the latter being neutral on the ratio, as commented above;
- CET1 instruments held in equity investments of more than 10% decreased by €1.1 billion, in particular as a result of the partial sale of the interest of Crédit Agricole S.A. in BSF (Banque Saudi Fransi) and amounted to €3.0 billion; deferred tax assets dependent on future profitability and resulting from temporary differences amounted to €1.4 billion, up €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 31 December 2019 (as was the case at 31 December 2018);
- other CET1 components were virtually unchanged compared to end-2018.

Fully loaded Tier 1 capital was €92.6 billion, or an increase of €6.6 billion compared to those of 31 December 2018, with a decrease in additional Tier 1 capital of €1.5 billion. This change can be explained by a €1.4 billion decrease in capital instruments eligible as AT1 equity, which amounted to €3.8 billion, after, on the one hand, the disqualification of an AT1 instrument in fully loaded view (-€1.6 billion) due to the entry into force of CRR 2 on 27 June 2019 and, on the other hand, a call for €1.1 billion. This was largely offset by the issuance of an AT1 instrument during the period (+€1.1 billion).

Other Tier 1 components changed very little (change of less than €0.1 billion).

Phased-in Tier 1 capital amounted to €94.2 billion, up €6.4 billion compared to 31 December 2018, with a decrease of additional Tier 1 capital of €1.7 billion.

Ineligible AT1 equity instruments qualifying under a grandfather clause increased by €0.1 billion, as the reclassification of the aforementioned AT1 instrument to fully loaded (+€1.6 billion) was largely offset by calls.

In addition, the total amount of securities benefiting from a "grandfather" 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.

The other Tier 1 components decreased by €0.4 billion.

Fully loaded Tier 2 capital amounted to €13.3 billion, up €0.1 billion compared to 31 December 2018. This change was attributable to:

- capital instruments eligible as Tier 2 capital amounted to €15.8 billion, an increase of €1.2 billion compared to 31 December 2018, corresponding to the amount of issues made during the period minus the impact of regulatory haircuts and repayments;
- the surplus provision relative to expected losses eligible under the internal ratings-based approach was virtually unchanged at €1.6 billion;
- subordinated loans and receivables from banks and insurance companies, all representative of Tier 2 instruments, were deducted in full from Tier 2 in the amount of €3.8 billion on a fully loaded basis, compared with €2.7 billion at 31 December 2018;
- the other Tier 2 items were unchanged.

Phased-in Tier 2 capital was €13.5 billion, stable compared to 31 December 2018 and shows a positive difference of €0.2 billion compared to the fully loaded view.

In addition, the total amount of securities benefiting from a "grandfather" 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.

In all, fully loaded total capital stood at €105.9 billion, up €6.7 billion compared to 31 December 2018.

Phased-in total capital was €107.7 billion, which was €6.4 billion more than at 31 December 2018. This regulatory capital does not take into account the non-preferred senior debt issues, which are discussed in item 1.7.3 "Resolution ratios" below.

Changes in equity capital

Changes in phased-in prudential capital *(in millions of euros)*	31/12/2019 vs 31/12/2018
Common Equity Tier 1 capital at 31/12/2018	**80,999**
Capital increase	849
Accounting attributable net income/loss for the year before dividend	6,597
Expected dividend	(2,019)
Other comprehensive income	1,779
Eligible minority interests	864
Prudential filters	(75)
Goodwill and other intangible assets	(753)
Amount exceeding the exemption thresholds	-
Other CET1 components	811
COMMON EQUITY TIER 1 CAPITAL AT 31/12/2019	**89,052**
Additional Tier 1 capital at 31/12/2018	**6,773**
Issues	1,113
Redemptions and foreign currency impact on the debt stock[1]	(2,412)
Other Tier 1 components	(353)
ADDITIONAL TIER 1 CAPITAL AT 31/12/2019	**5,121**
TIER 1 CAPITAL AT 31/12/2019	**94,173**
Tier 2 capital at 31/12/2018	**13,537**
Issues	1,831
Redemptions and foreign currency impact on the debt stock[1][2]	(771)
Other Tier 2 components	(1,089)
TIER 2 CAPITAL AT 31/12/2019	**13,508**
TOTAL CAPITAL AT 31/12/2019	**107,681**

(1) Including the impact, if any, of the applicable cap to these instruments.

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

1.6.2 Internal capital

The Group has defined the internal capital (an internal view of own funds), which is compared to the economic capital requirement. Internal capital is based on a conglomerate approach, taking the importance of the Group's insurance businesses into account and on the going concern principle.

1.7 Adequacy of capital

Adequacy of capital is ensured through the monitoring of solvency, leverage and resolution ratios. Each of these ratios yield an amount of regulatory capital and, when applicable, eligible instruments, to the risk, leverage or balance sheet exposures. These exposures are defined and calculated in section 2 "Composition of and changes in risk-weighted assets".

1.7.1 Solvency ratios

Solvency ratios are intended to check the adequacy of the various categories of capital (CET1, Tier 1 and total capital) to cover risk-weighted assets arising as a result of credit risk, market risk and operational risk. The risk-weighted assets are computed using either a standardised approach or an internal approach (see section 2, "Composition of and changes in risk-weighted assets").

Regulatory requirements

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

Minimum requirements with regard to 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%
Total own funds	8.00%

Minimum requirements with regard to Pillar 2

Crédit Agricole Group and Crédit Agricole S.A. are notified by the European Central Bank (ECB) annually of their minimum capital requirements 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 applies to each level of capital and must be made up entirely of Common Equity Tier 1 capital,
  - 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;
- Pillar 2 Guidance (P2G), which is not public and must be made up entirely of Common Equity Tier 1 capital.

Combined buffer requirement and restriction on distributions threshold

The regulator provides for the establishment of capital buffers, which are gradually being implemented:

- the capital conservation buffer (2.5% of risk-weighted assets on 1 January 2019; phased-in at 1.75% of risk-weighted assets in 2018);
- the countercyclical buffer (in principle a rate set within a range of 0% to 2.5%), with the buffer at the institution's level, calculated using the weighted average of the buffers defined for each country in which the institution operates applied to the relevant exposures at default (EAD); when the countercyclical buffer rate is calculated by one of the national authorities, the application date should be no later than 12 months from the publication date, except for the exceptional circumstances;
- the buffers for systemically important institutions (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 buffer rate applies. Only 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. is not subject to these requirements.

These buffers must be covered by Common Equity Tier 1 capital.

As of 31 December 2019, twelve countries activated countercyclical buffers. As for French exposures, the High Council for Financial Stability (*Haut Conseil de stabilité financière* – HCSF) set the countercyclical buffer rate at 0.25% at 1 July 2019. It will be raised to 0.50% as from 2 April 2020.

With respect to the Crédit Agricole Group's exposures in these countries, the Crédit Agricole Group's countercyclical buffer rate was 0.196% at 31 December 2019. By end-2020, it will reach 0.377%, taking into account the entry into force of countercyclical buffers in three additional countries in the course of 2020 (Germany, Belgium and Luxembourg), and the increase in buffer rates in other countries, including in France, as from April 2020.

Details of the countercyclical buffer calculation (CCYB1)

31/12/2019 *(in millions of euros)*	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					Countercyclical capital buffer rate *(in %)* 31/12/2019	Countercyclical capital buffer rate forecast *(in %)* 31/12/2020[(2)]
	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 %)*		
Germany	3,993	14,140	-	-	-	2,498	605	-	25	630	1.73%	0.00%	0.25%
Belgium	3,665	3,253	-	-	-	-	150	-	-	150	0.41%	0.00%	0.50%
Bulgaria	1	23	-	-	-	-	1	-	-	1	0.00%	0.50%	1.00%
Czech Republic	138	587	-	-	-	-	18	-	-	18	0.05%	1.00%	2.00%
Denmark	84,497	605,441	140	1,849	483	11,618	23,729	159	147	24,035	66.09%	0.25%	0.50%
France	602	3,862	-	-	-	-	114	-	-	114	0.31%	2.00%	2.00%
Hong Kong	101	3,940	-	-	-	69	103	-	1	104	0.28%	1.00%	1.00%
Iceland	1	-	-	-	-	-	-	-	-	-	0.00%	1.75%	2.00%
Ireland	-	1	-	-	-	-	-	-	-	-	0.00%	1.00%	1.00%
Lithuania	2,822	139,710	-	-	-	1,663	1,361	-	-	1,361	3.74%	0.00%	0.25%
Luxembourg	12	1,579	-	-	-	-	36	-	-	36	0.10%	2.50%	2.50%
Norway	26	176	-	-	-	-	6	-	-	6	0.02%	1.50%	2.00%
Slovakia	1,796	15,690	-	-	-	1,495	496	-	18	514	1.41%	1.00%	1.00%
Sweden	3	7	-	-	-	-	-	-	-	-	0.00%	1.50%	2.00%
United Kingdom	92	1,835	-	-	-	14	56	-	1	57	0.15%	2.50%	2.50%
Other countries[(1)]	70,411	159,045	114	-	639	24,108	8,938	9	420	9,367	25.70%	0.00%	0.00%
TOTAL	**168,160**	**949,289**	**254**	**1,849**	**1,122**	**41,465**	**35,613**	**168**	**612**	**36,393**	**100.00%**	**0.196%**	**0.377%**

(1) For which no countercyclical buffer has been defined by the competent authority.

(2) The countercyclical capital buffer rate projected at 31 December 2020 is calculated by using the buffer rates by country known to date and applicable no later than in twelve months and the breakdown of capital requirements by country as of 31 December 2019.

Requirements for the countercyclical buffer calculation (CCYB2)

(in millions of euros)	31/12/2019	31/12/2018
Total risk exposure	559,009	541,770
Institution-specific countercyclical buffer *(in %)*	0.196%	0.024%
Institution-specific countercyclical buffer	**1,093**	**130**

Summarised:

Combined buffer requirement *(in %)*	31/12/2019	31/12/2018
Phased capital conservation buffer	2.50%	1.88%
Phased systemic buffer	1.00%	0.75%
Countercyclical buffer	0.20%	0.02%
Combined buffer requirement	**3.70%**	**2.65%**

The transposition of Basel regulations into European law (through CRD 4 and its transposition into French law) introduced a mechanism for distribution restriction that applies to dividends, AT1 instruments and variable compensation. The principle of the Maximum Distributable Amount (MDA), the maximum amount that a bank can allocate to distributions aims at restricting 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 CET1 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	0.20%	0.20%	0.20%
SREP requirement (a)	**9.70%**	**11.20%**	**13.20%**
Phased-in solvency ratios as at 31/12/2019 (b)	**15.9%**	**16.8%**	**19.3%**
Distance to SREP requirement (b-a)	623bp	565bp	607bp
Distance to MDA trigger threshold		**565 bp (€32bn)**	

At 31 December 2019, the Crédit Agricole Group posted a buffer of 565 basis points above the MDA trigger, *i.e.* approximately €32 billion in CET1 capital.

In the end, after taking into account the requirements under Pillar 1, those under Pillar 2 and the combined buffer requirement, the overall capital requirement reaches:

SREP own funds requirement	31/12/2019	31/12/2018
Pillar 1 minimum CET1 requirement	4.50%	4.50%
Additional Pillar 2 requirement (P2R)	1.50%	1.50%
Combined buffer requirement	3.70%	2.65%
CET1 requirement	**9.70%**	**8.65%**
AT1	1.50%	1.50%
Tier 2	2.00%	2.00%
Overall capital requirement	**13.20%**	**12.15%**

Crédit Agricole Group must therefore comply with a minimum CET1 ratio of 9.70%. This includes the requirements under Pillar 1, Pillar 2 P2R, plus the combined buffer requirement (based on the decisions known to date).

The notification received by Crédit Agricole S.A. in December 2019 for the year 2020 confirmed these requirements.

Pillar 2 adjustments

The tables and figures included in this Pillar 3 disclosure take into account the adjustments made under 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).

Accordingly, compared to the regulatory declarations made under Pillar 1, an additional deduction of €842 million was made on CET1; consequently, the risk-weighted assets were adjusted downwards by €359 million.

Position at 31 December 2019

Summary of the key figures

	31/12/2019			31/12/2018		
(in millions of euros)	Phased-in	Fully loaded	Requirements	Phased-in	Fully loaded	Requirements
Common Equity Tier 1 (CET1)	89,052	89,052	-	80,999	80,999	-
Tier 1 capital	94,173	92,566	-	87,772	86,008	-
Total capital	107,681	105,886	-	101,309	99,201	-
Total risk weighted assets	559,009	559,009	-	541,770	541,770	-
CET1 RATIO	**15.90%**	**15.90%**	**9.70%**	**15.00%**	**15.00%**	**8.65%**
TIER 1 RATIO	**16.80%**	**16.60%**	**11.20%**	**16.20%**	**15.90%**	**10.15%**
TOTAL CAPITAL RATIO	**19.30%**	**18.90%**	**13.20%**	**18.70%**	**18.30%**	**12.15%**

The applicable minimum requirements are fully met; the CET1 ratio of Crédit Agricole Group was 15.9% as at 31 December 2019.

Solvency ratios of the Regional Banks[1]

The 2019 retained earnings are taken into account in the regulatory capital as at 31 December 2019.

	31/12/2019			31/12/2018		
Key numbers synthesis *(in millions of euros)*	Phased-in	Fully loaded	Exigencies[2]	Phased-in	Fully loaded	Exigencies[2]
Common Equity Tier 1 capital	**57,340**	**57,336**		**52,596**	**52,583**	
Additional Tier 1	13	13		0	0	
Tier 1	**57,353**	**57,349**		**52,596**	**52,583**	
Tier 2	1,057	998		926	778	
Total capital	**58,410**	**58,833**		**53,522**	**53,361**	
Credit risk	253,986	253,986		249,597	249,597	
Market risk	275	275		256	256	
Operational risk	18,051	18,051		18,720	18,720	
Risk weighted assets	**272,312**	**272,311**		**268,573**	**268,573**	
CET1 SOLVENCY RATIO	**21.1%**	**21.1%**	**7.0%**	**19.6%**	**19.6%**	**6.4%**
TIER 1 SOLVENCY RATIO	**21.1%**	**21.1%**	**8.5%**	**19.6%**	**19.6%**	**7.9%**
TOTAL SOLVENCY RATIO	**21.4%**	**21.4%**	**10.5%**	**19.9%**	**19.9%**	**9.9%**

(1) Total of 38 Regional Banks (excluding Caisse régionale de Corse).

(2) Excluding the countercyclical buffer requirement, which is calculated for each Regional Bank individually based on the breakdown of its capital requirements by country.

The CET1 solvency ratio (fully loaded) of all the Regional Banks (excluding Corsica) increased by 1.5 percentage points in 2019 to 21.1%, well above the capital requirements under Pillar 1 (7% excluding the countercyclical buffer for the CET1 ratio and 10.5% excluding the countercyclical buffer for the total capital ratio).

Common Equity Tier 1 (CET1) capital increased by €4.7 billion year-on-year, mainly as a result of the issuance of mutual shares. Total fully loaded equity capital increased by €5.5 billion.

Risk-weighted assets increased by €3.7 billion in a context of business development.

The figures shown above include prudential deductions relating to the Regional Banks' irrevocable payment commitments under the Single Resolution Fund and the Deposit and Resolution Guarantee Fund for €0.5 billion.

Furthermore, the Regional Banks have issued a joint and several guarantee in favour of Crédit Agricole S.A.'s third-party creditors, up to the amount of their total capital and reserves, in the event of any shortfall in Crédit Agricole S.A.'s assets as a result of its bankruptcy or dissolution. The guarantee agreement was extended in 2017. In addition, Crédit Agricole S.A., as the corporate centre, guarantees the solvency and liquidity of the Regional Banks. As a result, international rating agencies assigned identical ratings to Crédit Agricole S.A.'s and the rated Regional Banks' issuance programmes.

Changes in CET1

The CET1 ratio increased by 0.9 percentage points over 2019, notably as a result of the reported retained earnings for 102 basis points, including 19 basis points (€1,038 million) related to the favourable decision of the French Council of State in the dispute regarding the tax treatment of the Emporiki shares.

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

The regulatory impacts notably correspond to the effect of IFRS 16 on leases, applicable since 1 January 2019, and a change in the weighting of operational risks in the fourth quarter.

The Other line item includes in particular the development of business lines (-21 basis points), issuance of mutual shares (+13 basis points) and structural transactions. These generated a -4 basis points impact on the CET1 ratio in 2019, including the completion of the Agos/Banco BPM transaction (-6 basis points), the acquisition of Kas Bank by CACEIS and the merger between CACEIS and Santander (-6 basis points), and the sale of BSF (+8 basis points).

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

1.7.2 Leverage ratio

1.7.2.1 Regulatory framework

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. Basel Committee, in the context of Basel 3 agreements, defined the leverage ratio rule, which was transposed into European law *via* Article 429 of the 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 ratio between Tier 1 capital and the leverage exposure measure, *i.e.* balance sheet and off-balance-sheet assets after certain restatements of derivatives, transactions between Group affiliates, 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;
- lastly, 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 leverage 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.

Crédit Agricole S.A. has opted to publish a phased-in leverage ratio.

At the beginning of 2019, Crédit Agricole Group received authorisation from the ECB (with application retroactive 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.

1.7.2.2 Position at 31 December 2019

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

Leverage ratio – Common disclosure (LRCom)

CRR Leverage ratio exposures *(in millions of euros)*		31/12/2019	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)	1,387,615	1,277,137
2	(Asset amounts deducted in determining Tier 1 capital)	(23,763)	(22,567)
3	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND FIDUCIARY ASSETS) (SUM OF LINES 1 AND 2)**	**1,363,852**	**1,254,571**
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	15,595	15,767
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	38,994	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	4,586	6,133
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(18,897)	(18,101)
8	(Exempted CCP leg of client-cleared trade exposures)	(4,210)	(984)
9	Adjusted effective notional amount of written credit derivatives	14,844	12,699
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(6,099)	(8,920)
11	**TOTAL DERIVATIVE EXPOSURES (SUM OF LINES 4 TO 10)**	**44,813**	**34,859**
SFT exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	223,403	199,299
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(100,520)	(50,515)
14	Counterparty credit risk exposure for SFT assets	2,935	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)**	**125,818**	**155,087**
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	337,972	326,788
18	(Adjustments for conversion to credit equivalent amounts)	(159,507)	(154,827)
19	**OTHER OFF-BALANCE SHEET EXPOSURES (SUM OF LINES 17 TO 18)**	**178,464**	**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))	(55,428)	-
Capital and total exposures			
20	**TIER 1 CAPITAL**	**94,173**	**87,772**
21	**TOTAL LEVERAGE RATIO TOTAL EXPOSURE MEASURE (SUM OF LINES 3, 11, 16, 19, EU-19A AND EU-19B)**	**1,657,519**	**1,616,477**
Leverage ratio			
22	**LEVERAGE RATIO**	**5.68%**	**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)

Applicable Amount *(in millions of euros)*		31/12/2019	31/12/2018
1	Total assets as per published financial statements	2,010,966	1,854,763
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(381,319)	(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	(74,337)	(72,317)
5	Adjustments for securities financing transactions (SFTs)	2,937	27,307
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	178,464	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)	(55,428)	-
7	Other adjustments	(23,763)	(22,567)
8	**LEVERAGE RATIO TOTAL EXPOSURE MEASURE**	**1,657,519**	**1,616,477**

Breakdown of balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (LRSPL)

CRR leverage ratio exposures *(in millions of euros)*		31/12/2019	31/12/2018
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	1,332,187	1,277,137
EU-2	Trading book exposures	34,651	7,910
EU-3	Banking book exposures, of which:	1,297,535	1,269,227
EU-4	Covered bonds	5,891	3,850
EU-5	Exposures treated as sovereigns	212,244	230,574
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	35,472	34,276
EU-7	Institutions	47,047	47,114
EU-8	Secured by mortgages of immovable properties	14,463	13,805
EU-9	Retail exposures	599,256	560,521
EU-10	Corporate	274,400	259,392
EU-11	Exposures in default	19,935	20,334
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	88,827	99,361

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

- 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;
- the leverage ratio increased by 25 basis points year-on-year. This increase can be explained in particular by the growth in equity capital over the period (+€6.4 billion over the year, or 7.2% growth), while leveraged exposure increased only slightly (+€41 billion, or 2.5% growth). Pro forma of the deduction of CDC deposits, the leverage ratio at end-2018 was 5.6%: adjusted for this effect, the increase in the ratio was more moderate year-on-year (+2 basis points), the increase in leveraged exposures (+€91 billion, or 5.8% growth) offsetting that of equity capital over the period.

1.7.3 Resolution ratios

1.7.3.1 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 loss absorption and recapitalisation capacities of global systemically important banks (G-SII). The Total Loss Absorbing Capacity (TLAC) ratio provides resolution authorities with the means to assess whether G-SIIs have sufficient loss absorption 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. This ratio will apply to global systemically important financial institutions, and therefore to Crédit Agricole Group.

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

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

- a TLAC ratio of more than 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 systemic buffer of 1% and the countercyclical buffer). Considering the combined capital buffer requirement, Crédit Agricole Group will have to comply with a TLAC ratio of above 19.5% (plus the countercyclical buffer);
- a TLAC ratio of above 6% of the Leverage Ratio Exposure (LRE).

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

TLAC requirements at resolution Group level – Credit Agricole Group

(in millions of euros)		31/12/2019
1	Total Loss Absorbing Capacity (TLAC)	126,440
2	Total risk-weighted assets (RWA)	559,009
3	**TLAC (as a percentage of risk-weighted assets, RWA)**	**22.6%**
4	Leverage exposure measure (LRE)	1,657,819
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 limited exemption from subordination applies, the amount of financing issued that qualifies as excluded liabilities and is recognised as external TLAC, divided by the amount of financing issued that is assimilated to excluded liabilities and that would be recognised as external TLAC if no limit is applied (%).	N/A

As at 31 December 2019, Crédit Agricole Group's TLAC ratio was 22.6% of risk-weighted assets and 7.6% of leverage exposure, excluding eligible preferred senior debt. It is higher than the respective requirements of 19.5% of risk-weighted assets (according to CRR 2/CRD 5, to which must be added the countercyclical buffer of 0.20% as at 31 December 2019) and 6% of the leverage exposure, even though it is possible at that date to include up to 2.5% of risk-weighted assets as eligible preferred senior debt.

Achieving the TLAC ratio is supported by an annual issuance program on the market of approximately €5 to 6 billion of TLAC debt. Over the 2019 year, €6.7 billion were issued, of which €6.3 billion on the market; the amount of Crédit Agricole Group's senior non-preferred debts was €18.2 billion. Year-on-year, the TLAC ratio increased by 120 basis points, also in line with the strengthening of CET1 (increase in the CET1 ratio from 15% to 15.9%).

As at 31 December 2019, Crédit Agricole Group's TLAC items, which rank from the most senior to the most junior, include senior non-preferred debt securities, subordinated securities not recognised as regulatory capital(amortised portion of Tier 2 instruments), Tier 2 instruments, additional Tier 1 items and common equity Tier 1 capital items.

All these eligible liability items and their characteristics can be consulted in Appendix II, "Main characteristics of capital instruments", available at https://www.credit-agricole.com/en/finance/finance/financial-information.

(in millions of euros)		31/12/2019
Regulatory capital elements of TLAC and adjustments		
1	Common Equity Tier capital	89,052
2	Additional Tier capital	5,121
3	**Tier 1 instruments eligible under the TLAC framework**	**94,173**
4	Tier 2 capital	13,508
5	Amortised portion of Tier 2 instruments where remaining maturity >1 year	526
6	**Tier 2 instruments eligible under the TLAC framework**	**14,034**
7	**TLAC ARISING FROM REGULATORY CAPITAL**	**108,207**
Non-regulatory capital elements of TLAC		
8	Senior non-preferred debt instruments	18,233
9	Holdings of eligible liabilities instruments of other G-SIIs	0
10	**TLAC ARISING FROM NON-REGULATORY CAPITAL INSTRUMENTS**	**18,233**
11	**TOTAL LOSS ABSORBING CAPACITY (TLAC)**	**126,440**
Risk-weighted assets and leverage exposure measure for TLAC purposes		
12	**TOTAL RISK-WEIGHTED ASSETS (RWA)**	**559,009**
13	**LEVERAGE EXPOSURE MEASURE (LRE)**	**1,657,819**
TLAC ratios		
14	**TLAC** *(as a percentage of risk-weighted assets, RWA)*	**22.6%**
15	**TLAC** *(as a percentage of leverage exposure, LRE)*	**7.6%**

1.7.3.2 MREL ratio

The MREL (Minimum Requirement for Own Funds and Eligible Liabilities) ratio is defined in the European "Bank Recovery and Resolution Directive" (BRRD). More generally, the BRRD establishes a framework for the resolution of banks throughout the European Union and with the aim of equipping resolution authorities with instruments and common powers to prevent the occurrence of banking crises, preserve financial stability and reduce taxpayers' exposure to losses.

The ACPR, the national resolution authority, considers the "single point of entry" (SPE) resolution strategy as the most appropriate for the French banking system. Under this strategy, Crédit Agricole S.A., in its capacity as the central body 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 that must be available 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 MREL ratio numerator. 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 that time. 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.

Crédit Agricole Group's objective is to reach a subordinated MREL ratio (excluding eligible senior preferred debt) of 24-25% of the RWA by the end of 2022 and to maintain the subordinated MREL ratio above 8% 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 senior preferred debt, creating an additional layer of protection for investors in senior preferred debt.

At 31 December 2019, Crédit Agricole Group posted an estimated MREL ratio of 12% of TLOF (total liabilities and own funds, equivalent to the prudential balance sheet after netting of derivatives) and 8.5% excluding eligible senior preferred debt. Expressed as a percentage of risk-weighted assets, Crédit Agricole Group's estimated MREL ratio was approximately 33%. It was 22.6% excluding eligible senior preferred debt at end-December 2019, up 120 basis points over the year.

1.7.4 Adequacy of economic capital

The Group's approach for measuring economic capital requirement is put into practice at the Crédit Agricole Group, Crédit Agricole S.A., and the Group's main French and foreign entities levels.

The major risk identification process initially aims to list as exhaustively as possible all the risks that are likely to impact the Group's balance sheet, income statement, prudential ratios, or the reputation of an entity or the Group and to apply a Group-wide, standard approach to placing them in categories and sub-categories. Secondly, it aims to assess the importance of these risks in a systematic and exhaustive manner so that major risks can be identified.

The risk identification process brings together several sources: an internal analysis based on information gathered from the Risk department and the other control functions, and additional information from external data. It is formalised by each entity and for the Group, coordinated by the Risk department and approved by the Board of Directors.

For each of the major risks identified, the economic capital requirement is quantified as follows:

- the risk measurements 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 requirement, based on internal approaches;
- generally, the economic capital requirement 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 economic capital requirement measure 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.

A specific governance within the Group ensures the coherence of all methodologies for measuring the economic capital requirement.

The measurement of the economic capital requirement is supplemented by a projection over the current year, consistent with capital planning forecasts at that date, in order to include the impact of the Group's organic growth on its risk profile.

At 31 December 2019, all the major risks identified during the risk identification process were taken into account for assessing the economic capital requirement. 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 its internal capital covers the economic capital requirements. At the Crédit Agricole Group level, the internal capital covered nearly 160% of the economic capital requirement at 31 December 2019.

Crédit Agricole S.A. entities subject to the requirement to measure their economic capital requirement are responsible for doing so in accordance with standards and methodologies defined by the Group. In particular, they must ensure that their ICAAP approach is appropriately organised and governed. The economic capital requirement computed 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 the economic capital requirement 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.

1.8 Appendix to the regulatory capital

1.8.1 Differences in the treatment of equity investments between the accounting and regulatory scopes

Exposure type	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": ■ CET1 instruments weighted at 370% (for non-listed entities), with expected loss calculation 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; ■ AT1 and Tier 2 instruments deducted from the total of corresponding financial instruments of the Group. In turn, as in previous years, Crédit Agricole S.A. and Crédit Agricole Group are subject to additional capital requirements and capital adequacy ratios applying to financial conglomerates.
Equity investments of >10% with operations that are financial in nature	■ Equity-accounted ■ 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 of CET1, is common to the non-deducted portion of deferred tax assets that rely on future profitability arising from temporary differences. ■ AT1 and Tier 2 instruments deducted from the corresponding class of instruments of the Group.
Equity investments of ≤ 10% with financial or insurance operations	Equity investments and securities held for collection and sale	Deduction of CET1, AT1 and Tier 2 instruments, beyond an exemption threshold of 10% of CET1.
Investments ≤10% in a global systemically important institution (G-SII)	Financial assets	Deduction of eligible elements, or where not available in a sufficient quantity, deduction of Tier 2 instruments, beyond an exemption threshold of 10% of CET1 (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).

1.8.2 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 Appendix 13 to the consolidated financial statements, "Scope of consolidation at 31 December 2019".

Differences between accounting and regulatory scopes of consolidation and correspondence between financial statements and regulatory risk categories (LI1)

	a	b	c	d	e	f	g
			Carrying values of items				
31/12/2019 *(in billions of euros)*	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to credit risk framework	Subject to counter-party credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
ASSETS							
Cash, central banks	97	97	97	-	-	-	-
Available-for-sale financial assets	228	229	-	202	-	126	-
Other financial assets at fair value through profit or loss	177	15	15	-	-	-	-
Hedging derivative instruments	21	20	-	20	-	-	-
Accounted debt's instruments at fair value through recyclable own funds	268	47	41	4	2	-	0
Accounted own funds' instruments at fair value through non recyclable own funds	4	4	4	-	-	-	0
Loans and receivables due from credit institutions	101	99	95	4	-	-	-
Loans and receivables due from customers	913	925	921	4	-	-	-
Held-to-maturity financial assets	95	85	80	5	-	-	-
Revaluation adjustment on interest rate hedged portfolios	12	12	-	-	-	-	12
Deferred tax assets	6	7	7	-	-	-	-
Accruals, prepayments and sundry assets	44	43	39	4	-	1	0
Non-current assets held for sale	0	-	-	-	-	-	-
Investments in equity-accounted entities	7	17	16	-	-	-	1
Investment property	7	1	1	-	-	-	-
Property, plant and equipment	10	11	11	-	-	-	-
Intangible assets	3	3	-	-	-	-	3
Goodwill	16	15	-	-	-	-	15
TOTAL ASSETS	**2 011**	**1 630**	**1 326**	**243**	**2**	**127**	**32**
LIABILITIES							
Central banks	2	2	-	-	-	-	2
Available-for-sale financial liabilities	205	206	-	74	-	-	131
Financial liabilities at fair value through options	40	36	-	-	-	-	36
Hedging derivative instruments	20	20	-	-	-	-	20
Due to credit institutions	100	82	-	5	-	-	76
Due to customers	856	873	-	2	-	-	872
Debt securities	213	203	-	-	-	-	203
Revaluation adjustment on interest rate hedged portfolios	11	10	-	-	-	-	10
Current and deferred tax liabilities	4	3	3	-	-	-	0
Accruals, deferred income and sundry liabilities	51	47	8	-	-	-	39
Liabilities associated with non-current assets held for sale	0	-	-	-	-	-	-
Insurance company technical reserves	358	-	-	-	-	-	-
Provisions	7	7	-	-	-	-	7
Subordinated debt	22	20	-	-	-	-	20

31/12/2019 *(in billions of euros)*	a Carrying values as reported in published financial statements	b Carrying values under scope of regulatory consolidation	c Carrying values of items Subject to credit risk framework	d Subject to counter-party credit risk framework	e Subject to the securitisation framework	f Subject to the market risk framework	g Not subject to capital requirements or subject to deduction from capital
TOTAL LIABILITIES	**1 889**	**1 510**	**11**	**81**	**-**	**-**	**1 417**
Equity	**122**	**120**	**-**	**-**	**-**	**-**	**120**
Equity, Group share	115	115	-	-	-	-	115
Share capital and reserves	29	29	-	-	-	-	29
Consolidated reserves	76	76	-	-	-	-	76
Other comprehensive income	3	3	-	-	-	-	3
Other comprehensive income on non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-
Net income/(loss) for the year	7	7	-	-	-	-	7
Non-controlling interests	**7**	**5**	**-**	**-**	**-**	**-**	**5**
TOTAL EQUITY AND LIABILITIES	**2 011**	**1 630**	**11**	**81**	**-**	**-**	**1 537**

The carrying amounts for the regulatory scope of consolidation (column b) are not equal to the sum of their breakdown by the risk (coloumns c to g) as an exposure may be subject to several types of risk.

Main sources of differences between carrying amounts and regulatory value of exposures (LI2)

	31/12/2019 *(in billions of euros)*	a Total	b Items subject to Credit risk framework	c Counterparty credit risk framework	d Securitisation framework	e Market risk framework[(1)]
1	**Asset carrying value amount under the scope of regulatory consolidation (as per template EU LI1)[(2)]**	**1,630**	**1,326**	**243**	**2**	**127**
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	92	11	81		
3	**Total net amount under the regulatory scope of consolidation**	**1,538**	**1,315**	**161**	**2**	**127**
4	Off-balance-sheet amounts[(3)]	525	169	-	39	
5	Differences in valuations					
6	Differences in netting rules	(118)		(118)		
7	Difference due to consideration of provisions	17	17	-		
8	Differences due to the use of credit risk mitigation techniques (CRMs)	(15)	(12)	(3)		
9	Differences due to credit conversion factors	(112)				
10	Differences due to Securitisation with risk transfer					
11	Other adjustments	42	9	33	-	
12	**Exposure amount considered for regulatory purposes**	**1,611**	**1,498**	**73**	**41**	

(1) Exposures related to market risk include the exposures subject to the calculation of counterparty risk on the derivatives.

(2) The "Total" column includes the assets deductible from the prudential capital.

(3) In line item "Off-balance sheet amounts", the amounts shown in the Total column, which relates to exposures pre-CCF, do not equal the sum of the amounts shown in the remaining columns, as these are post-CCF.

2. APPENDIX TO THE REGULATORY CAPITAL

Description of differences between the scopes of consolidation (LI3: entity by entity)(1)

		Method of regulatory consolidation			
Name of the entity	Method of accounting	Full consolidation	Description of the entity proportional consolidation	Equity method	Description of the entity
Uni-medias	Full			✓	Information and communication
Crédit Agricole Assurances (CAA)	Full			✓	Financial and insurance activities - Insurance
Crédit Agricole Life Insurance Company Japan Ltd.	Full			✓	Financial and insurance activities - Insurance
CA ASSICURAZIONI	Full			✓	Financial and insurance activities - Insurance
Crédit Agricole Créditor Insurance (CACI)	Full			✓	Financial and insurance activities - auxilliary activities of financial and insurance services
Spirica	Full			✓	Financial and insurance activities - Insurance
Crédit Agricole Assurances Solutions	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
PREDICA	Full			✓	Financial and insurance activities - Insurance
Médicale de France	Full			✓	Financial and insurance activities - Insurance
PACIFICA	Full			✓	Financial and insurance activities - Insurance
Via Vita	Full			✓	Other activities of services
IRIS HOLDING FRANCE	Full			✓	Real-estate activities
HOLDING EUROMARSEILLE	Full			✓	Real-estate activities
Crédit Agricole Life Insurance Europe	Full			✓	Financial and insurance activities - Insurance
GNB SEGUROS (Anciennement BES SEGUROS)	Full			✓	Financial and insurance activities - Insurance
Crédit Agricole Life	Full			✓	Financial and insurance activities - Insurance
Crédit Agricole Vita S.p.A.	Full			✓	Financial and insurance activities - Insurance
ASSUR&ME	Full			✓	Financial and insurance activities - auxilliary activities of financial and insurance services
VAUGIRARD INFRA S.L.	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
SAS ALTA VAI HOLDCO P	Full			✓	Real-estate activities
Predica Infrastructure SA	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
UBAF	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
CAIRS Assurance S.A.	Full			✓	Financial and insurance activities - Insurance
Atlantic Asset Securitization LLC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
LMA SA	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Héphaïstos EUR FCC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Héphaïstos GBP FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Héphaïstos USD FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Héphaïstos Multidevises FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Eucalyptus FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Pacific USD FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Shark FCC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Vulcain EUR FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds

Name of the entity	Method of accounting	Method of regulatory consolidation: Full consolidation	Description of the entity proportional consolidation	Equity method	Description of the entity
Vulcain Multi-Devises FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Vulcain USD FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Pacific EUR FCC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Pacific IT FCT	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Triple P FCC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
ESNI (compartiment Crédit Agricole CIB)	Full			✓	Financial and insurance activities - auxililiary activities of financial and insurance services
Elipso Finance S.r.l	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
La Fayette Asset Securitization LLC	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
TSUBAKI ON (FCT)	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
TSUBAKI OFF (FCT)	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
La Route Avance	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
FCT CFN DIH	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
S3 Latam Holdco 1	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Santander Securities Services Brasil Participaçoes, S.A.	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Banco S3 México, S.A.	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Santander Securities Services Colombia S.A.	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
S3 Latam Holdco 2	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Santander Securities Services Brasil Distribuidora de titulos e Valores Mobiliarios, S.A.	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
ARES Reinsurance Ltd.	Full			✓	Financial and insurance activities - auxililiary activities of financial and insurance services
MENAFINANCE	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
FCA Bank S.P.A	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
CACF BANKIA sa	Equity method		✓		Financial and insurance activities - activities of financial services, excluding insurance and pension funds
FINAREF RISQUES DIVERS	Full			✓	Financial and insurance activities - Insurance
FINAREF VIE	Full			✓	Financial and insurance activities - Insurance
CACI Reinsurance Ltd.	Full			✓	Financial and insurance activities - auxililiary activities of financial and insurance services
SPACE HOLDING (IRELAND) LIMITED	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
SPACE LUX	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds

Name of the entity	Method of accounting	Method of regulatory consolidation			
		Full consolidation	Description of the entity proportional consolidation	Equity method	Description of the entity
CACI LIFE LIMITED	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
CACI NON LIFE LIMITED	Full			✓	Financial and insurance activities - activities of financial services, excluding insurance and pension funds
Sacam Assurance Caution	Full			✓	Financial and insurance activities - auxililiary activities of financial and insurance services
GROUPE CAMCA	Full			✓	Financial and insurance activities - Insurance

(1) The scope of consolidation is described in full in Note 13 to the consolidated financial statements.

UCITS, UL and SCI (non-trading real estate investment company) funds held by the insurance entities and detailed in Note 13 to the consolidated financial statements follow the same accounting and regulatory treatment as their holding entity.

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 €559.0 billion at 31 December 2019, compared with €541.8 billion at 31 December 2018.

		RWA		Minimum capital requirements
	(in millions of euros)	31/12/2019	31/12/2018	31/12/2019
1	**Credit risk (excluding CCR)**	**455,399**	**440,526**	**36,432**
2	Of which the standardised approach	137,984	130,004	11,039
3	Of which the foundation IRB (FIRB) approach	88,321	83,672	7,066
4	Of which the advanced IRB (AIRB) approach	157,308	163,086	12,585
5	Of which equity IRB under the simple risk-weighted approach or the IMA	71,786	63,764	5,743
6	**CCR**	**21,475**	**18,901**	**1,718**
7	Of which mark to market	8,101	6,292	648
8	Of which original exposure	-	-	-
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	8,930	8,309	714
11	Of which risk exposure amount for contributions to the default fund of a CCP	403	291	32
12	Of which CVA	4,041	4,009	323
13	**Settlement risk**	**16**	**7**	**1**
14	**Securitisation exposures in the banking book (after the cap)**	**7,655**	**6,506**	**612**
15	Of which IRB approach	616	857	49
16	Of which IRB supervisory formula approach (SFA)	1,241	1,241	99
17	Of which internal assessment approach (IAA)	3,151	2,856	252
18	Of which standardised approach	547	1,552	44
	Of which new securitisation originated since 01/01/2019	2,100		168
19	**Market risk**	**11,939**	**10,869**	**955**
20	Of which the standardised approach	4,996	4,447	400
21	Of which IMA	6,930	6,421	554
	Of which new securitisation originated since 01/01/2019	13		1
22	**Large exposures**	**-**	**-**	**-**
23	**Operational risk**	**56,137**	**55,873**	**4,491**
24	Of which basic indicator approach	-	-	-
25	Of which standardised approach	11,186	9,841	895
26	Of which advanced measurement approach	44,951	46,032	3,596
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**6,389**	**9,088**	**511**
28	**Floor adjustment Basel 1**	**-**	**-**	**-**
29	**TOTAL**	**559,009**	**541,770**	**44,721**

3.1.2 Operating segment information

31/12/2019 *(in millions of euros)*	Credit risk								
	Standardised approach	Weighting approach IRB	IRB approach[(1)]	Contributions to a CCP default fund	Credit risk	Credit valuation adjustment risk	Operational Risk	Market risk	Total risk-weighted assets
French Retail Banking	40,162	18,496	168,152	-	**226,810**	320	23,405	36	**250,569**
International Retail Banking	35,387	1,029	4,411	9	**40,836**	5	4,245	281	**45,367**
Asset Gathering	6,673	49,888	801	-	**57,361**	314	7,185	63	**64,924**
Specialised Financial Services	35,632	1,202	17,800	-	**54,634**	24	3,206	3	**57,868**
Large customers	19,799	2,460	69,790	394	**92,443**	3,377	17,387	8,796	**122,003**
Corporate Centre	5,433	5,100	4,275	-	**14,807**	-	709	2,761	**18,278**
TOTAL RISK-WEIGHTED ASSETS	**143,085**	**78,174**	**265,229**	**403**	**486,891**	**4,041**	**56,137**	**11,939**	**559,009**

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

31/12/2018 *(in millions of euros)*	Credit risk								
	Standardised approach	Weighting approach IRB	IRB approach[(1)]	Contributions to a CCP default fund	Credit risk	Credit valuation adjustment risk	Operational Risk	Market risk	Total risk-weighted assets
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 Centre	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 Changes in risk-weighted assets

The table below shows the changes in Crédit Agricole Group’s risk-weighted assets in 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	31/12/2019
Credit risk	471,018	1,527	18,661	4,806	(1,650)	(7,470)	15,874	486,892
of which Equity risk	*72,852*	-	*3,229*	*4,806*	*(2,713)*	-	*5,322*	*78,174*
CVA	4,010	-	32	-	-	-	32	4,041
Market risk	10,869	-	1,022	-	48	-	1,070	11,939
Operational risk	55,873	-	(165)	-	429	-	264	56,137
TOTAL	**541,770**	**1,527**	**19,550**	**4,806**	**(1,173)**	**(7,470)**	**17,240**	**559,009**

Risk-weighted assets totalled €559 billion at 31 December 2019, an increase of €17.2 billion (+3.1%) attributable to:

- growth in business lines (+€19 billion), in particular in Retail Banking in France and abroad (+€14 billion), the Large customers and Asset Gathering divisions (+€2.7 billion) and in Specialised Financial Services (+€1.5 billion);
- methodological and regulatory effects (-€7.5 billion), including the first-time adoption of IFRS 16 (+€1.9 billion) and the review of the Regional Banks' credit risk model (-€11.3 billion);
- the +€4.8 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 gains and/or losses held by insurers;
- a negative scope effect (-€1.2 billion) with the disposal of 10.9% of Crédit Agricole Corporate and Investment Bank's stake in Bank Saudi Fransi partially offset by the acquisitions of ProFamily S.p.A. by Agos, of Kas Bank by CACEIS and by the merger with Santander Securities Services.

3.2 Credit and counterparty risk

Definitions:

- **probability of default (PD):** the probability that a counterparty will default within a period of one year;
- **exposure at default (EAD):** the exposure amount in the event of default. The concept of exposure encompasses balance sheet assets plus a proportion of off-balance sheet commitments;
- **loss given default (LGD):** ratio between the loss experienced on an exposure on a counterparty at default and the size of the exposure at default;
- **gross exposure:** amount of the exposure (balance sheet + off-balance sheet), after the impacts of offsetting and before the application of any credit risk mitigation techniques (guarantees and collateral) and the credit conversion factor (CCF);
- **credit conversion factor (CCF):** ratio between the unused portion of a commitment that will be drawn and at risk at the time of default and the unused portion of the commitment calculated on the basis of the authorised limit or, where applicable, the unauthorised limit if higher;
- **expected losses (EL):** the amount of the average loss the bank expects to have to recognise in its loan book within one year;
- **risk-weighted assets (RWA):** risk-weighted assets are calculated by applying a weighting ratio to each exposure. The ratio is a function of the characteristics of the exposure and the calculation method used (IRB or standardised);
- **valuation adjustments:** impairment losses on a specific asset due to credit risk, recognised either through a partial write-down or a deduction from the carrying amount of the asset;
- **external credit ratings:** credit ratings provided by an external credit rating agency recognised by Regulation (EC) No. 1060/2009.

Part 1.2.1 provides an overview of changes in credit and counterparty risk followed by a more detailed look at credit risk (in part 1.2.2) by regulatory approach: standardised approach and using the IRB approach. Counterparty risk is covered in part 1.2.3 followed by part 1.2.4 on credit and counterparty risk mitigation techniques.

3.2.1 General overview of credit and counterparty risk

3.2.1.1 Exposures by type of risk

The table below shows the 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 31 December 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 31 December 2019

	Standardised				IRB				Total				
31/12/2019 *(in billions of euros)*	Gross exposure[1]	Gross exposure after CRM[2]	EAD	RWA	Gross exposure[1]	Gross exposure after CRM[2]	EAD	RWA	Gross exposure[1]	Gross exposure after CRM[2]	EAD	RWA	Capital requirement
Central governments or central banks	61.8	61.8	61.7	7.1	218.2	229.7	227.3	2.3	280.0	291.5	289.0	9.4	0.8
Institutions	43.9	59.3	57.4	8.1	103.8	107.9	104.1	16.1	147.6	167.1	161.5	24.2	1.9
Corporates	159.1	138.0	104.0	82.8	390.9	364.9	299.4	133.8	550.1	502.9	403.5	216.6	17.3
Retail customers	44.5	41.3	37.8	23.4	630.2	630.2	629.3	106.4	674.7	671.4	667.1	129.7	10.4
Loans to individuals	30.2	28.6	26.2	16.7	508.8	508.8	507.1	70.6	539.1	537.4	533.3	87.3	7.0
o/w secured by real estate assets	10.4	9.9	9.9	4.3	374.8	374.8	374.8	39.9	385.2	384.8	384.7	44.2	3.5
o/w revolving	4.1	3.9	1.9	1.4	19.8	19.8	17.3	4.4	23.9	23.7	19.2	5.8	0.5
o/w other	15.7	14.8	14.5	10.9	114.2	114.2	115.0	26.3	130.0	129.0	129.5	37.3	3.0
Loans to small and medium businesses	14.3	12.7	11.5	6.6	121.3	121.3	122.2	35.8	135.6	134.0	133.7	42.4	3.4
o/w secured by real estate assets	0.6	0.6	0.6	0.3	22.4	22.4	22.4	6.2	23.0	23.0	23.0	6.5	0.5
o/w other	13.6	12.0	10.9	6.4	98.9	98.9	99.8	29.6	112.6	111.0	110.7	35.9	2.9
Shares	1.2		1.2	1.4	20.7		20.6	71.8	21.9		21.8	73.2	5.9
Securitisations	1.1		0.8	0.5	39.8		39.8	5.0	40.9		40.6	5.6	0.4
Assets other than credit obligation	25.3		25.2	19.2	-		-	-	25.3		25.2	19.2	1.5
TOTAL	**336.9**		**288.0**	**142.6**	**1,403.6**		**1,320.5**	**335.4**	**1,740.6**		**1,608.5**	**478.0**	**38.2**

(1) Initial gross exposure.

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

Overall risk exposure (credit, counterparty, dilution, settlement and delivery) at 31 December 2018

	Standardised				IRB				Total				
31/12/2018 *(in billions of euros)*	Gross exposure[1]	Gross exposure after CRM[2]	EAD	RWA	Gross exposure[1]	Gross exposure after CRM[2]	EAD	RWA	Gross exposure[1]	Gross exposure after 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 gross exposure.

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

Measured in terms of gross exposure, the Group's total outstanding amounts were up 7% reflecting the favourable business climate in the main business lines, notably in the "Central governments and central banks" portfolio (up 13.9%).

The main portfolio remains the Retail customers category, with total gross exposure of €674.7 billion at end-June 2019 compared to €633.4 billion at end-2018.

RWA density (defined as the ratio of risk-weighted assets/EAD) was 19% on average for retail customers and 54% for Corporates at 31 December 2019.

Total net amount and average of exposures (CRB-B)

		31/12/2019		31/12/2018	
	(in millions of euros)	Net value of exposures at the end of the period(1)	Average net exposures over the period	Net value of exposures at the end of the period	Average net exposures over the period(2)
1	Central governments or central banks	218,183	204,013	189,806	179,949
2	Institutions	103,323	105,728	99,158	100,577
3	Corporates	385,529	375,695	358,111	346,054
4	Of which: Specialised lending	66,609	64,773	59,656	57,875
5	Of which: SMEs	36,205	35,291	34,265	32,464
6	Retail	619,468	602,643	578,673	562,489
7	Secured by real estate property	393,955	380,271	361,395	348,302
8	SMEs	21,672	21,125	20,394	19,290
9	Non-SMEs	372,283	359,146	341,002	329,012
10	Qualifying revolving	19,402	19,162	18,811	18,655
11	Other retail	206,111	203,210	198,467	195,532
12	SMEs	94,762	93,288	90,129	88,229
13	Non-SMEs	111,349	109,922	108,338	107,303
14	Equity	20,746	19,955	18,229	18,338
15	**Total IRB approach**	**1,347,250**	**1,308,035**	**1,243,977**	**1,207,406**
16	Central governments or central banks	58,027	47,485	54,395	46,887
17	Regional governments or local authorities	816	822	803	727
18	Public sector entities	2,953	2,123	1,100	975
19	Multilateral development banks	114	62	81	125
20	International organisations	907	852	735	600
21	Institutions	41,660	44,642	42,347	46,233
22	Corporates	116,301	115,726	111,125	107,822
23	Of which: SMEs	27,054	23,041	21,745	19,070
24	Retail	31,812	31,894	31,401	31,729
25	Of which: SMEs	13,166	12,764	12,223	11,545
26	Secured by mortgages on immovable property	12,613	12,353	12,132	12,493
27	Of which: SMEs	1,525	1,367	1,410	1,260
28	Exposures in default	2,342	2,688	2,962	3,124
29	Items associated with particularly high risk	2,691	891	282	288
30	Covered bonds	1,044	637	-	-
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-
32	Collective investments undertakings	34,120	35,974	36,064	37,550
33	Equity exposures	1,179	1,359	1,708	1,807
34	Other exposures	25,173	24,170	21,418	21,208
35	**Total standardised approach**	**331,752**	**321,679**	**316,553**	**311,566**
36	**TOTAL**	**1,679,002**	**1,629,714**	**1,560,530**	**1,518,972**

(1) The 2019 average is calculated on the basis of data recorded at the end of each quarter 2019.

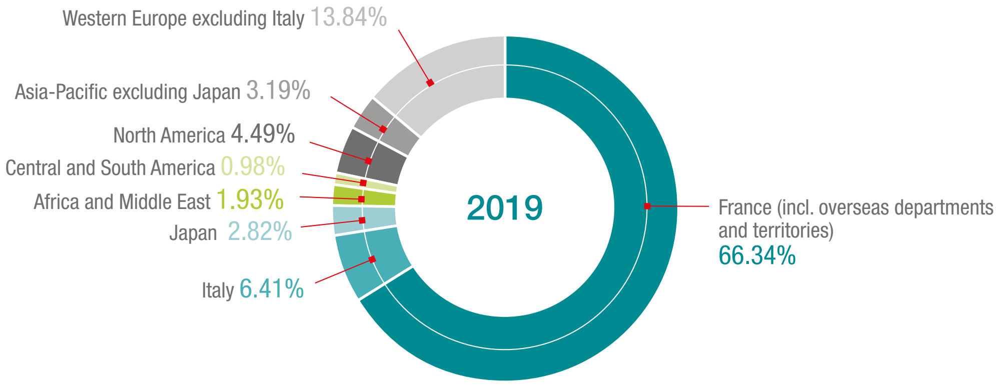
(2) The 2018 average is calculated on the basis of data recorded at the end of each quarter 2018.

Net exposures totalled €1,679.0 billion at 31 December 2019, 80.24% of which are subject to an internal ratings-based regulatory treatment.

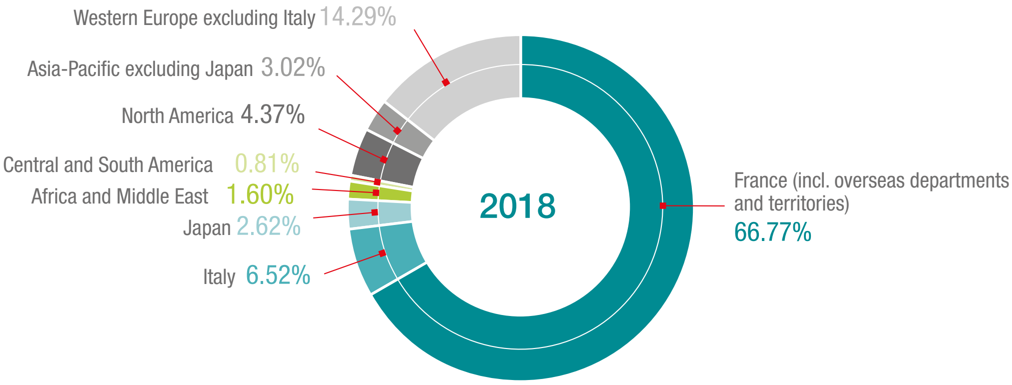
3.2.1.2 Exposures by geographic area

The breakdown by geographic area includes all Group exposures except for securitisation transactions and "Assets other than credit obligations".

At 31 December 2019



At 31 December 2018



Geographic breakdown of exposures (CRB-C)

31/12/2019 *(in millions of euros)*		Europe							
		France	Italy	Luxembourg	United Kingdom	Germany	Switzerland	Netherlands	Others
1	Central governments or central banks	129,506	675	4,052	3,061	5,811	1,288	274	14,123
2	Institutions	62,100	735	2,647	5,260	1,968	1,402	4,728	6,943
3	Corporates	165,134	10,488	12,823	17,562	12,025	8,632	9,421	31,279
4	Retail	564,599	35,899	973	686	3,862	1,739	72	6,677
5	Equity	19,335	287	214	68	21	14	18	53
6	**Total IRB approach 31/12/2019**	**940,673**	**48,084**	**20,709**	**26,637**	**23,687**	**13,076**	**14,512**	**59,072**
	Total IRB approach 31/12/2018	**872,749**	**46,602**	**20,309**	**27,520**	**23,138**	**12,742**	**11,733**	**55,794**
7	Central governments or central banks	23,969	14,201	4,300	13	1,303	913	849	10,340
8	Regional governments or local authorities	427	134	-	-	19	-	-	191
9	Public sector entities	1,278	123	-	36	762	-	-	484
10	Multilateral development banks	34	-	1	-	-	-	-	-
11	International organisations	61	-	845	-	-	-	-	-
12	Institutions	13,502	3,921	344	11,096	2,170	184	1,201	2,326
13	Corporates	72,353	20,719	2,815	1,018	1,828	323	449	8,257
14	Retail	9,192	9,068	9	932	2,173	223	1,500	6,947
15	Secured by mortgages on immovable property	1,837	3,147	22	26	297	3,639	3	2,231
16	Exposures in default	1,072	785	15	10	24	36	37	281
17	Items associated with particularly high risk	2,055	635	-	-	-	-	-	-
18	Covered bonds	107	-	26	-	93	-	55	210
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-
20	Collective investments undertakings	27,821	3,348	1,243	-	133	-	6	27
21	Equity exposures	910	21	10	30	2	9	68	54
22	Other exposures	18,566	3,404	192	84	96	487	50	1,338
23	**Total standardised approach 31/12/2019**	**173,184**	**59,506**	**9,825**	**13,244**	**8,900**	**5,815**	**4,219**	**32,691**
	Total standardised approach 31/12/2018	**169,172**	**55,137**	**19,323**	**13,110**	**8,729**	**5,206**	**3,336**	**22,005**
24	**TOTAL 31/12/2019**	**1,113,858**	**107,591**	**30,534**	**39,881**	**32,587**	**18,891**	**18,731**	**91,765**
	TOTAL 31/12/2018	**1,041,921**	**101,739**	**39,632**	**40,630**	**31,866**	**17,948**	**15,069**	**77,801**

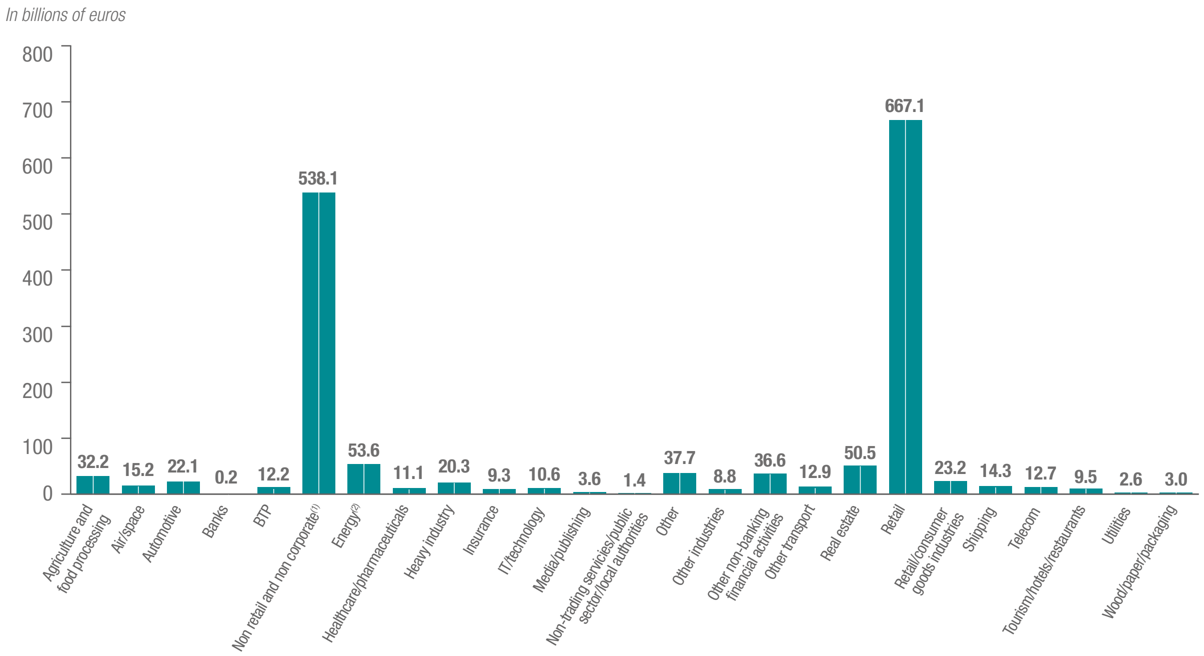
All prudential approaches combined (*i.e.* internal and standard ratings), the proportion of exposures located in Europe was stable at 87% at end-2019, compared with 88% at end-2018.

More specifically, in Retail banking the Group's exposures are concentrated in two countries: France and Italy represent 95.01% of exposures. The other portfolios are more geographically diversified. For example, almost 25.25% of exposures in the Corporates portfolio are located outside Europe, primarily in North America and Asia.

Asia and Oceania		North America				
Japan	Others	USA	Others	Central and South America	Africa and Middle East	Total
33,889	6,665	9,326	2,369	784	6,359	**218,183**
2,102	7,608	1,871	501	194	5,264	**103,323**
8,599	32,143	51,293	4,213	13,393	8,519	**385,529**
190	3,030	210	97	249	1,183	**619,468**
6	16	208	-	53	452	**20,746**
44,785	**49,466**	**62,908**	**7,181**	**14,678**	**21,780**	**1,347,248**
38,671	**43,862**	**58,197**	**5,721**	**11,249**	**15,683**	**1,243,977**
50	73	136	37	79	1,761	**58,027**
-	-	-	45	-	-	**816**
-	1	267	-	-	3	**2,953**
-	-	-	-	-	77	**112**
-	-	-	-	-	-	**907**
1,323	1,723	2,230	239	282	1,116	**41,660**
60	1,515	769	603	857	4,742	**116,304**
7	94	73	39	475	1,075	**31,812**
1	22	16	2	2	1,365	**12,613**
-	6	-	-	-	72	**2,342**
-	-	-	-	-	-	**2,691**
-	26	-	526	-	-	**1,044**
-	-	-	-	-	-	**-**
1,176	328	25	-	-	12	**34,120**
2	3	3	4	1	62	**1,179**
27	253	247	3	25	399	**25,173**
2,645	**4,043**	**3,766**	**1,499**	**1,723**	**10,687**	**331,753**
2,249	**3,334**	**3,496**	**728**	**1,409**	**9,321**	**316,553**
47,430	**53,507**	**66,674**	**8,680**	**16,401**	**32,470**	**1,679,002**
40,920	47,195	61,693	6,447	12,658	25,008	1,560,530

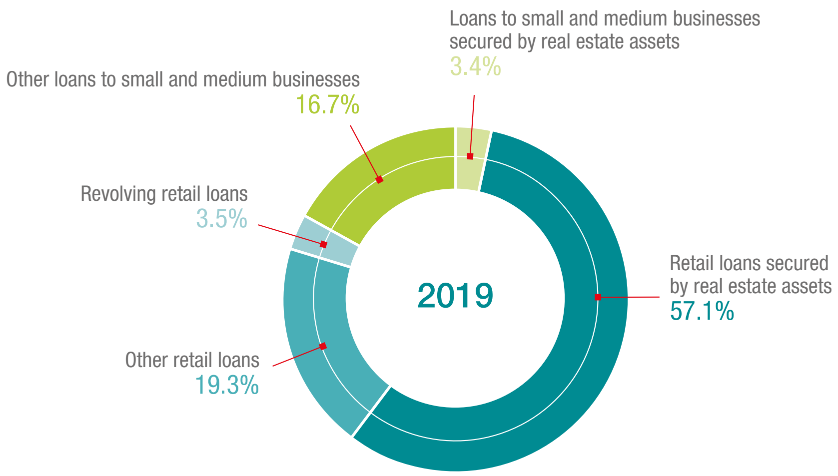
3.2.1.3 Exposures by business sector

Breakdown of the Corporates EAD (total EAD: €1,608.7 billion at 31 December 2019)

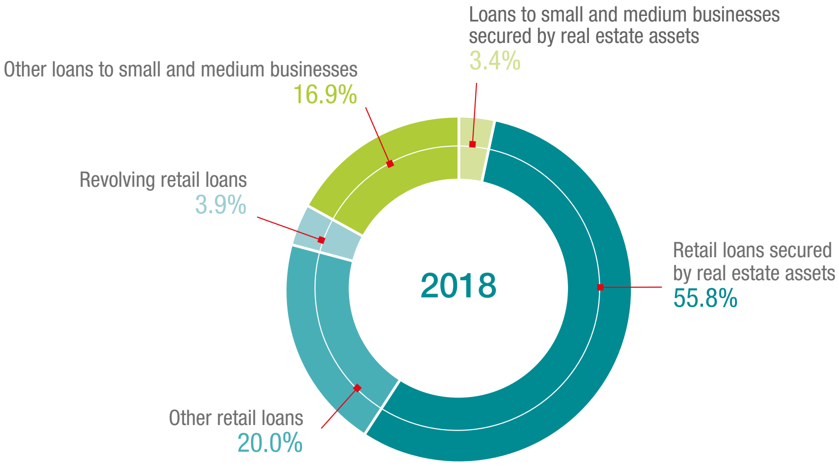


(1) Central government, central banks, institutions, shares, securitisations and assets other than obligations.
(2) Including €28.1billion for Oil & Gas EAD for CACIB perimeter (including €4.9 billion on commodity traders).

Retail customers at 31 December 2019



Retail customers at 31 December 2018



Breakdown of the Retail customers portfolio

The chart above shows a breakdown of the Group's Retail customers portfolio exposures by Basel sub-portfolio (outstanding amounts of €674.7 billion at 31 December 2019 compared with €633.4 billion at 31 December 2018, an increase of 6.5% on an annual basis).

Within the "Retail customers" portfolio, the relative share of "loans to individuals secured by real estate assets" has been rising over recent years (57.1% in 2019, compared with 55.8% in 2018). Conversely, the share of "revolving exposures to individuals" fell further in 2019 to 3.5% of outstanding retail customer loans from 3.9% in 2018.

Concentration of exposures by industry or counterparty types (CRB-D)

	31/12/2019 *(in millions of euros)*	Agriculture, forestry and fishing	Mining and quarrying	Manu-facturing	Production and distribution	Cons-truction	Wholesale trade	Retail trade	Transport and storage	Accommo-dation and food service activities	Information and communication	Education and Instruction-Training
1	Central governments or central banks	-	-	-	-	4	-	-	315	-	-	1
2	Institutions	184	-	116	905	225	4	285	360	18	47	46
3	Corporates	4,513	21,225	93,085	26,814	13,135	34,668	17,929	36,412	6,744	22,363	630
4	Retail	42,106	27	2,654	1,397	3,077	1,422	6,132	872	3,207	222	614
5	Equity	232	10	280	36	33	87	5	60	20	27	1
6	**Total IRB approach 31/12/2019**	**47,035**	**21,262**	**96,135**	**29,152**	**16,474**	**36,181**	**24,351**	**38,019**	**9,989**	**22,659**	**1,292**
	Total IRB approach 31/12/2018	**45,591**	**20,610**	**90,814**	**27,623**	**15,958**	**33,945**	**23,880**	**36,617**	**9,751**	**18,970**	**1,200**
7	Central governments or central banks	-	121	-	-	-	-	-	5	-	-	-
8	Regional governments or local authorities	6	-	-	-	-	-	-	-	-	-	-
9	Public sector entities	1	1	1	1	8	47	-	52	-	-	32
10	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-	-	-	-	-	-
12	Institutions	-	9	98	1	-	-	2	-	-	-	-
13	Corporates	1,582	370	15,061	2,649	2,506	5,905	5,746	2,154	755	1,443	53
14	Retail	993	351	1,576	159	977	725	909	958	393	199	97
15	Secured by mortgages on immovable property	209	2	189	12	20	73	53	30	130	14	4
16	Exposures in default	54	7	296	10	279	92	119	40	48	14	7
17	Items associated with particularly high risk	8	-	1	-	156	-	-	-	3	-	-
18	Covered bonds	-	-	-	-	-	-	-	-	-	-	-
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-
20	Collective investments undertakings	-	-	-	-	-	-	-	-	-	-	-
21	Equity exposures	25	-	-	43	-	5	-	21	-	7	-
22	Other exposures	2	1	12	3	12	7	14	60	1	-	-
23	**Total standardised approach 31/12/2019**	**2,880**	**862**	**17,234**	**2,878**	**3,958**	**6,854**	**6,843**	**3,320**	**1,330**	**1,677**	**193**
	Total standardised approach 31/12/2018	**2,596**	**662**	**15,166**	**2,818**	**3,935**	**6,399**	**7,520**	**2,963**	**1,356**	**1,388**	**215**
24	**TOTAL 31/12/2019**	**49,915**	**22,124**	**113,369**	**32,030**	**20,432**	**43,035**	**31,194**	**41,339**	**11,319**	**24,336**	**1,485**
	TOTAL 31/12/2018	48,187	21,272	105,980	30,441	19,893	40,344	31,400	39,580	11,107	20,358	1,415

	31/12/2019 *(in millions of euros)*	Real estate activities	Finance and Insurance	Company mana-gement financial participa-tions	Professional, scientific and technical activities	Adminis-trative and support service activities	Public adminis-tration and defence, compul-sory social security	Human health services and social work activities	Other personal services outside public adminis-tration	Private persons	Arts, entertain-ment and recreation	Other services	Total
1	Central governments or central banks	153	154,735	-	-	-	57,372	4,975	150	-	84	394	218,183
2	Institutions	2,150	63,909	13	21	822	31,865	1,028	82	-	130	1,113	103,323
3	Corporates	34,456	43,092	8,718	6,721	4,743	218	7,091	820	59	1,511	582	385,529
4	Retail	24,964	2,472	3,456	2,381	621	21	1,683	961	520,550	444	185	619,468
5	Equity	555	4,545	566	246	89	1	15	1	21	7	13,909	20,746
6	**Total IRB approach 31/12/2019**	**62,278**	**268,753**	**12,753**	**9,369**	**6,275**	**89,477**	**14,792**	**2,014**	**520,630**	**2,176**	**16,184**	**1,347,250**
	Total IRB approach 31/12/2018	**57,730**	**226,493**	**12,281**	**9,122**	**5,676**	**84,242**	**14,349**	**1,956**	**481,544**	**2,299**	**23,329**	**1,243,977**
7	Central governments or central banks	-	32,435	-	-	-	-	608	-	-	-	608	58,027
8	Regional governments or local authorities	1	-	-	-	-	608	4	4	-	-	63	816
9	Public sector entities	21	838	-	9	13	688	104	17	-	15	1,105	2,953
10	Multilateral development banks	-	79	-	-	-	-	-	-	-	-	35	114
11	International organisations	-	-	-	-	-	828	-	-	-	-	608	907
12	Institutions	-	37,484	5	-	-	-	-	8	-	-	4,053	41,660
13	Corporates	31,024	28,668	1,414	948	1,117	67	806	153	241	268	13,371	116,301
14	Retail	375	196	255	435	204	6	361	267	19,861	110	2,405	31,812
15	Secured by mortgages on immovable property	980	30	10	19	15	-	28	3	10,572	12	208	12,613
16	Exposures in default	460	33	22	23	13	1	6	6	605	17	191	2,342
17	Items associated with particularly high risk	1,909	1	1	1	3	-	-	-	-	-	608	2,691
18	Covered bonds	-	653	-	-	-	-	-	-	-	-	391	1,044
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
20	Collective investments undertakings	8	20,939	-	-	-	-	-	-	-	-	13,173	34,120
21	Equity exposures	100	71	1	1	-	-	-	-	-	-	905	1,179
22	Other exposures	182	-	124	9	63	1	1	-	-	-	24,681	25,173
23	**Total standardised approach 31/12/2019**	**35,060**	**121,427**	**1,832**	**1,445**	**1,428**	**12,824**	**1,310**	**458**	**31,279**	**422**	**76,239**	**331,752**
	Total standardised approach 31/12/2018	**32,905**	**96,786**	**1,342**	**1,463**	**1,716**	**13,916**	**1,296**	**477**	**32,289**	**434**	**88,913**	**316,553**
24	**TOTAL 31/12/2019**	**97,338**	**390,180**	**14,585**	**10,814**	**7,703**	**102,301**	**16,102**	**2,472**	**551,909**	**2,598**	**92,423**	**1,679,002**
	TOTAL 31/12/2018	90,635	323,279	13,623	10,585	7,392	98,159	15,645	2,432	513,833	2,733	112,242	1,560,530

3.2.1.4 Exposures by residual maturity

Maturity of the exposures (CRB-E)

		Exposures net of impairment					
31/12/2019 *(in millions of euros)*		On demand	≤1 year	>1 year ≤5 years	>5 years	No stated maturity	Total
1	Central governments or central banks	92,374	63,962	30,873	30,484	490	218,183
2	Institutions	4,860	34,184	20,880	42,412	987	103,323
3	Corporates	11,882	118,318	171,983	78,961	4,385	385,529
4	Retail	6,658	-	-	610,858	1,952	619,468
5	Equity	-	-	64	1,336	19,346	20,746
6	**Total IRB approach 31/12/2019**	**115,774**	**216,464**	**223,800**	**764,050**	**27,162**	**1,347,250**
	Total IRB approach 31/12/2018	**130,402**	**155,585**	**210,699**	**716,294**	**30,997**	**1,243,977**
7	Central governments or central banks	31,074	2,277	7,252	2,454	14,970	58,027
8	Regional governments or local authorities	6	55	197	506	52	816
9	Public sector entities	18	303	1,252	285	1,095	2,953
10	Multilateral development banks	-	21	58	-	35	114
11	International organisations	-	-	828	-	79	907
12	Institutions	2,942	15,391	14,464	4,811	4,052	41,660
13	Corporates	6,983	44,810	29,161	22,481	12,866	116,301
14	Retail	705	615	399	29,100	993	31,812
15	Secured by mortgages on immovable property	4	50	391	11,961	207	12,613
16	Exposures in default	289	310	585	971	187	2,342
17	Items associated with particularly high risk	1,043	218	552	269	609	2,691
18	Covered bonds	-	48	604	-	392	1,044
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
20	Collective investments undertakings	-	2,792	10,644	7,527	13,157	34,120
21	Equity exposures	-	-	-	14	1,165	1,179
22	Other exposures	-	54	92	7	25,020	25,173
23	**Total standardised approach 31/12/2019**	**43,062**	**66,944**	**66,479**	**80,387**	**74,880**	**331,752**
	Total standardised approach 31/12/2018	**45,597**	**49,903**	**49,717**	**81,089**	**90,246**	**316,553**
24	**TOTAL 31/12/2019**	**158,836**	**283,408**	**290,279**	**844,437**	**102,042**	**1,679,002**
	TOTAL 31/12/2018	**176,000**	**205,488**	**260,416**	**797,383**	**121,243**	**1,560,530**

3.2.1.5 Defaulted exposures and value adjustments

Credit quality of exposures by exposure class and instrument (CR1-A)

31/12/2019 *(in millions of euros)*		Gross carrying values of Defaulted exposures	Gross carrying values of Non-defaulted exposures	Provisions/ Impairment	Net values
1	Central governments or central banks	117	218,123	57	218,183
2	Institutions	434	103,330	441	103,323
3	Corporates	6,994	383,919	5,383	385,529
4	Of which: Specialised lending	1,219	65,971	581	66,609
5	Of which: SMEs	1,426	36,378	1,598	36,205
6	Retail	12,061	618,096	10,689	619,468
7	Secured by real estate property	4,661	392,563	3,269	393,955
8	SMEs	795	21,617	740	21,672
9	Non-SMEs	3,866	370,945	2,529	372,283
10	Qualifying revolving	331	19,459	388	19,402
11	Other retail	7,069	206,075	7,032	206,111
12	SMEs	3,994	94,912	4,144	94,762
13	Non-SMEs	3,074	111,163	2,888	111,349
14	Equity	-	20,748	2	20,746
15	**Total IRB approach 31/12/2019**	**19,606**	**1,344,216**	**16,572**	**1,347,250**
	Total IRB approach 31/12/2018	**18,469**	**1,242,398**	**16,890**	**1,243,977**
16	Central governments or central banks	-	58,047	21	58,027
17	Regional governments or local authorities	-	817	1	816
18	Public sector entities	-	2,956	3	2,953
19	Multilateral development banks	-	114	-	114
20	International organisations	-	907	-	907
21	Institutions	-	41,669	9	41,660
22	Corporates	-	116,866	565	116,301
23	Of which: SMEs	-	27,252	199	27,054
24	Retail	-	32,112	300	31,812
25	Of which: SMEs	-	13,214	48	13,166
26	Secured by mortgages on immovable property	-	12,640	27	12,613
27	Of which: SMEs	-	1,525	-	1,525
28	Exposures in default	5,264	-	2,922	2,342
29	Items associated with particularly high risk	-	2,720	29	2,691
30	Covered bonds	-	1,044	1	1,044
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-
32	Collective investments undertakings	-	34,145	25	34,120
33	Equity exposures	-	1,179	-	1,179
34	Other exposures	-	25,320	148	25,173
35	**Total standardised approach 31/12/2019**	**5,264**	**330,538**	**4,050**	**331,752**
	Total standardised approach 31/12/2018	**6,221**	**314,595**	**4,263**	**316,553**
36	**TOTAL 31/12/2019**	**24,870**	**1,674,755**	**20,622**	**1,679,002**
	TOTAL 31/12/2018	**24,690**	**1,556,993**	**21,153**	**1,560,530**

Defaulted exposures stood at €24.9 billion at 31 December 2019, an increase of 0.7% compared to 31 December 2018.They represent 1.5% of total gross exposures, compared to 1.6% at end-2018.

Quality of credit exposures by industry or counterparty types (CR1-B)

31/12/2019 *(in millions of euros)*		Gross carrying values of Defaulted exposures	Gross carrying values of Non-defaulted exposures	Provisions and depreciation	Net values
1	Agriculture, forestry and fishing	287	49,912	284	49,915
2	Mining and quarrying	360	21,846	82	22,124
3	Manufacturing	1,811	112,842	1,284	113,369
4	Production and distribution	113	32,029	112	32,030
5	Construction and water supply	1,096	20,020	684	20,432
6	Wholesale trade	823	42,790	578	43,035
7	Retail trade	1,026	30,730	562	31,194
8	Transport and storage	1,993	39,988	642	41,339
9	Accommodation and food service activities	349	11,303	333	11,319
10	Information and communication	81	24,291	36	24,336
11	Education	18	1,477	10	1,485
12	Real estate activities	1,360	97,026	1,048	97,338
13	Finance and insurance companies	865	390,038	723	390,180
14	Financial holding companies	249	14,561	225	14,585
15	Professional, scientific and technical activities	136	10,799	121	10,814
16	Administrative and support service activities	74	7,704	75	7,703
17	Public administration and defence, compulsory social security	134	102,237	70	102,301
18	Human health services and social work activities	89	16,069	56	16,102
19	Other personal services	27	2,467	22	2,472
20	Private persons	13,567	546,863	8,521	551,909
21	Arts, entertainment and recreation	74	2,637	113	2,598
22	Other services	338	97,126	5,041	92,423
23	**TOTAL 31/12/2019**	**24,870**	**1,674,755**	**20,622**	**1,679,002**
	TOTAL 31/12/2018	24,690	1,556,993	21,153	1,560,530

Quality of credit exposures by geography (CR1-C)

31/12/2019 *(in millions of euros)*		Gross carrying values of Defaulted exposures	Gross carrying values of Non-defaulted exposures	Provisions and depreciation	Net values
1	**Europe**	**21,642**	**1,450,828**	**18,572**	**1,453,898**
2	France	15,122	1,112,560	13,826	1,113,857
3	Italy	4,110	106,617	3,136	107,591
4	Luxembourg	94	30,503	64	30,534
5	United Kingdom	156	39,889	163	39,881
6	Germany	172	32,583	168	32,587
7	Switzerland	98	18,915	122	18,891
8	Netherland	302	18,548	120	18,731
9	Others (Europe)	1,588	91,213	973	91,826
10	**Asia & Oceania**	**343**	**100,709**	**114**	**100,938**
11	Japan	-	47,442	12	47,430
12	**Others (Asia & Oceania)**	**343**	**53,267**	**102**	**53,508**
13	**North America**	**861**	**75,021**	**529**	**75,353**
14	USA	808	66,361	496	66,674
15	Others (North America)	53	8,660	33	8,679
16	**Central & South America**	**578**	**16,195**	**373**	**16,400**
17	**Africa and Middle East**	**1,446**	**32,002**	**1,035**	**32,413**
18	**TOTAL 31/12/2019**	**24,870**	**1,674,755**	**20,623**	**1,679,002**
	TOTAL 31/12/2018	24,690	1,556,993	21,153	1,560,530

Ageing of past-due exposures (CR1-D)

31/12/2019 (in millions of euros)		Gross carrying values ≤30 days	>30 days ≤60 days	>60 days ≤90 days	>90 days ≤180 days	>180 days ≤1 year	>1 year
1	Loans	9,169	1,787	1,465	1,141	915	4,007
2	Debt securities	914	348	9	-	-	-
3	Total exposures	10,083	2,135	1,474	1,141	915	4,007

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 ≤1 year	>1 year
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 up to 60 days past due account for 62% of total past-due exposures at 31 December 2019 and also for 62% at 31 December 2018.

Non-performing and forborne exposures (CR1-E)

31/12/2019 (in millions of euros)		Gross carrying amount of performing and non-performing exposures	Of which performing but past due >30 days and ≤90 days	Of which performing forborne	Of which non-performing	Of which: defaulted	Of which: impaired	Of which: forborne	Accumulated impairment and provisions and negative fair value adjustments due to credit risk – On performing exposures	Of which: forborne	On non-performing exposures	Of which: forborne	Collaterals and financial guarantees received – On non-performing exposures	Of which: forborne exposures
10	Debt securities	141,747	368	12	150	85	85	1	(76)	-	(23)	(1)	-	-
20	Loans and advances	1,137,339	3,017	4,531	25,760	23,725	23,725	8,208	(5,321)	(350)	(14,286)	(3,539)	6,737	4,736
30	Off-balance sheet exposures	525,449	-	290	4,197	3,910	-	131	(880)	(26)	(602)	(23)	323	97

31/12/2018 (in millions of euros)		Gross carrying amount of performing and non-performing exposures	Of which performing but past due >30 days and ≤90 days	Of which performing forborne	Of which non-performing	Of which: defaulted	Of which: impaired	Of which: forborne	Accumulated impairment and provisions and negative fair value adjustments due to credit risk – On performing exposures	Of which: forborne	On non-performing exposures	Of which: forborne	Collaterals and financial guarantees received – On non-performing exposures	Of which: forborne exposures
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	3,420	-	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 financial guarantees received.

The definitions of defaulted, impaired, renegotiated or forborne exposures are given in the financial statements of the Group at end-2019 in part 1.2 “Accounting policies and principles”.

Credit quality of forborne exposures (Template 1)

31/12/2019 (in millions of euros)		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forbone exposures
		Performing forbone	Non-performing forbone	Of which defaulted	Of which impaired	On performing forbone exposures	On non-performing forbone exposures	
		a	b	c	d	f	g	h
1	**Loans and advances**	**4,531**	**8,208**	**6,897**	**6,914**	**(350)**	**(3,539)**	**4,736**
2	Central banks	-	-	-	-	-	-	-
3	General governments	35	6	3	3	(1)	(3)	4
4	Credit institutions	-	51	51	51	-	(26)	-
5	Other financial corporations	43	121	110	110	(4)	(83)	36
6	Non-financial corporations	2,924	5,001	4,534	4,527	(224)	(2,289)	3,011
7	Households	1,529	3,029	2,199	2,223	(122)	(1,139)	1,686
8	**Debt Securities**	**12**	**1**	**1**	**1**	**-**	**(1)**	**-**
9	**Loan commitments given**	**290**	**131**	**110**	**110**	**(26)**	**(23)**	**97**
10	**Total**	**4,833**	**8,340**	**7,008**	**7,025**	**(376)**	**(3,563)**	**4,833**

31/12/2018 (in millions of euros)		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forbone exposures
		Performing forbone	Non-performing forbone	Of which defaulted	Of which impaired	On performing forbone exposures	On non-performing forbone exposures	
		a	b	c	d	f	g	h
1	**Loans and advances**	**4,899**	**7,852**	**6,831**	**6,853**	**(367)**	**(3,537)**	**4,911**
2	Central banks	-	-	-	-	-	-	-
3	General governments	31	9	6	6	(2)	(4)	2
4	Credit institutions	-	51	51	51	-	(25)	-
5	Other financial corporations	35	211	207	207	(5)	(126)	31
6	Non-financial corporations	3,216	4,675	4,284	4,287	(245)	(2,095)	3,129
7	Households	1,617	2,907	2,285	2,304	(116)	(1,287)	1,750
8	**Debt Securities**	**11**	**1**	**-**	**-**	**-**	**(0)**	**-**
9	**Loan commitments given**	**193**	**109**	**91**	**82**	**(4)**	**(6)**	**93**
10	**Total**	**5,103**	**7,961**	**6,923**	**6,936**	**(371)**	**(3,543)**	**5,004**

Credit quality of performing and non-performing exposures by past due days (Template 3)

		a	b	c	d	e	f	g	h	j	l
		Gross carrying amount/nominal amount									
		Performing exposures			Non-performing exposures						
31/12/2019 *(in millions of euros)*			Not past due or past due ≤30 days	Past due >30 days ≤90 days		Unlikely to pay that are not past-due or past-due ≤90 days	Past due >90 days ≤180 days	Past due >180 days ≤1 year	Past due >1 year ≤5 years	Past due >5 years	Of which defaulted
1	**Loans and advances**	**1,111,579**	**1,108,562**	**3,017**	**25,760**	**10,092**	**1,807**	**2,259**	**7,883**	**3,718**	**23,725**
2	Central banks	116,139	116,139								
3	General governments	42,747	42,658	90	133	45	1	-	60	27	128
4	Credit institutions	75,976	75,876	101	509	326	80		-	102	509
5	Other financial corporations	29,494	29,454	41	833	168	18	21	204	421	819
6	Non-financial corporations	333,417	331,724	1,693	13,880	5,265	960	936	4,982	1,738	12,927
7	Of which SMEs	152,145	151,746	399	7,640	2,529	271	644	3,136	1,060	7,132
8	Households	513,804	512,711	1,093	10,405	4,289	748	1,302	2,636	1,430	9,343
9	**Debt Securities**	**141,597**	**141,230**	**368**	**150**	**115**	**1**		**31**	**3**	**85**
10	Central banks	4,726	4,726								
11	General governments	63,266	63,266		33	2			31		
12	Credit institutions	34,584	34,584		5	4	1			1	5
13	Other financial corporations	25,455	25,097	358	83	83					53
14	Non-financial corporations	13,567	13,557	10	29	26				3	26
15	**Off-balance sheet exposures**	**521,252**			**4,197**						**3,910**
16	Central banks	136,450									
17	General governments	16,267			31						31
18	Credit institutions	49,119			48						48
19	Other financial corporations	69,232			2,004						2,004
20	Non-financial corporations	207,041			1,891						1,728
21	Households	43,143			223						99
22	**TOTAL**	**1,774,428**	**1,249,791**	**3,385**	**30,107**	**10,207**	**1,807**	**2,259**	**7,914**	**3,722**	**27,720**

Performing and non-performing exposures and related provisions (Template 4)

	a	b	c	d	e	f	g	h	i	j	k	l	o
	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received
	Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			On non-performing exposures
31/12/2019 *(in millions of euros)*		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3		Of which Bucket 1	Of which Bucket 2		Of which Bucket 2	Of which Bucket 3	
1 Loans and advances	**1,111,579**	**1,048,134**	**62,862**	**25,760**	**2,006**	**23,725**	**(5,321)**	**(1,863)**	**(3,458)**	**(14,286)**	**(227)**	**(14,059)**	**6,737**
2 Central banks	116,139	116,139	0	-	-	-	(14)	(14)	-	-	-	-	-
3 General governments	42,747	42,459	289	133	5	128	(38)	(32)	(6)	(46)	(1)	(45)	77
4 Credit institutions	75,976	75,949	27	509	-	509	(30)	(30)	(0)	(392)	-	(392)	-
5 Other financial corporations	29,494	28,423	1,050	833	14	819	(211)	(100)	(111)	(660)	(3)	(656)	57
6 Non-financial corporations	333,417	303,216	29,812	13,880	953	12,927	(2,872)	(1,004)	(1,867)	(7,751)	(108)	(7,644)	3,501
7 Of which: SMEs	152,145	136,338	15,807	7,640	512	7,128	(2,050)	(686)	(1,365)	(4,755)	(93)	(4,662)	1,624
8 Households	513,804	481,948	31,684	10,405	1,034	9,343	(2,156)	(684)	(1,473)	(5,437)	(115)	(5,322)	3,102
9 Debt Securities	**141,597**	**129,850**	**1,212**	**150**	**1**	**85**	**(76)**	**(58)**	**(18)**	**(23)**	**(0)**	**(23)**	**-**
10 Central banks	4,726	4,180	546	-	-	-	(3)	(2)	(2)	-	-	-	-
11 General governments	63,266	62,908	262	33	-	-	(32)	(29)	(2)	-	-	-	-
12 Credit institutions	34,584	34,364	7	5	0	5	(19)	(18)	(1)	(5)	(0)	(5)	-
13 Other financial corporations	25,455	15,158	359	83	-	53	(14)	(4)	(10)	-	-	-	-
14 Non-financial corporations	13,567	13,240	38	29	1	26	(8)	(5)	(3)	(17)	-	(17)	-
15 Off-balance sheet exposures	**521,252**	**510,539**	**10,678**	**4,197**	**286**	**3,911**	**(880)**	**(420)**	**(460)**	**(602)**	**(27)**	**(574)**	**323**
16 Central banks	136,450	136,449	0	-	-	-	(0)	(0)	-	-	-	-	-
17 General governments	16,267	16,023	245	31	-	31	(4)	(3)	(1)	(0)	-	(0)	9
18 Credit institutions	49,119	49,056	28	48	-	48	(4)	(3)	(1)	(24)	-	(24)	-
19 Other financial corporations	69,232	69,113	119	2,004	0	2,004	(31)	(24)	(6)	(30)	(0)	(30)	2
20 Non-financial corporations	207,041	197,995	9,046	1,891	162	1,729	(671)	(299)	(372)	(497)	(22)	(475)	292
21 Households	43,143	41,902	1,240	223	125	99	(170)	(91)	(79)	(51)	(6)	(45)	20
22 TOTAL	**1,774,428**	**1,688,523**	**74,752**	**30,107**	**2,293**	**27,721**	**(6,277)**	**(2,342)**	**(3,935)**	**(14,910)**	**(254)**	**(14,656)**	**7,060**

Changes in the stock of specific credit risk adjustments (CR2-A)

31/12/2019 (in millions of euros)		Bucket 1	Bucket 2	Bucket 3	Total
1	**Opening balance at 1st January**	**1,927**	**3,754**	**14,480**	**20,162**
2	Increases due to origination and acquisition	872	1,128	-	2,000
3	Decreases due to derecognition	(715)	(982)	(1,530)	(3,228)
4	Changes due to change in credit risk (net)	(160)	(198)	3,224	2,866
5	Changes due to modifications without derecognition (net)	4	0	7	12
6	Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
7	Decrease in allowance account due to write-offs	-	-	(1,975)	(1,975)
8	Other adjustments	(21)	(0)	(142)	(163)
9	**Closing balance(1)**	**1,908**	**3,702**	**14,065**	**19,675**
10	Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	-	-	(446)	(446)
11	Amounts written-off directly to the statement of profit or loss	-	-	277	277

(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 statements.*

31/12/2018 (in millions of euros)		Bucket 1	Bucket 2	Bucket 3	Total
1	**Opening balance at 1st January**	**2,134**	**3,947**	**15,951**	**22,032**
2	Increases due to origination and acquisition	1,048	1,036	-	2,083
3	Decreases due to derecognition	(797)	(1,218)	(2,243)	(4,257)
4	Changes due to change in credit risk (net)	(284)	254	3,706	3,676
5	Changes due to modifications without derecognition (net)	28	1	218	247
6	Changes due to update in the institution's methodology for estimation (net)	-	-	-	-
7	Decrease in allowance account due to write-offs	-	-	(3,126)	(3,126)
8	Other adjustments	(202)	(266)	(26)	(493)
9	**Closing balance(1)**	**1,927**	**3,754**	**14,480**	**20,162**
10	Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	-	-	(292)	(292)
11	Amounts written-off directly to the statement of profit or loss	-	-	280	280

(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 statements.*

Changes in the stock of defaulted and impaired loans and debt securities (RC2-B)

31/12/2019 *(in millions of euros)*		Gross carrying value defaulted exposures 31/12/2019	Gross carrying value defaulted exposures 31/12/2018
1	**Opening balance**	**23,758**	**26,097**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	5,038	3,581
3	Returned to non-defaulted status	(1,029)	(918)
4	Amounts written off	(2,763)	(3,332)
5	Other changes	(1,194)	(1,670)
6	**Closing balance**	**23,810**	**23,758**

3.2.2 Credit risk

Since late 2007, the ACPR has authorised the Group to use its internal rating systems to calculate regulatory capital requirements for credit risk on Retail and Large customer exposures throughout almost all of its scope. The main recent developments regarding the Group's rollout plan are the switch to the Advanced IRB approach for all "Retail banking" portfolios in the Cariparma and FriulAdria entities in Italy in 2013 as well as the IRB validation of the "Corporates" portfolios of the Regional Banks and of LCL effective 1 October 2014.

The main Group entities or portfolios still using the standardised approach for measuring credit and/or operational risk at 31 December 2019 were as follows:

- the not-yet-validated Cariparma Group portfolios (non-retail banking portfolios and Carispezia scope) as well as all other entities in the International Retail Banking division;
- the Crédit Agricole Leasing & Factoring Group;
- some portfolios and foreign subsidiaries of the Crédit Agricole Consumer Finance Group;
- the real estate professionals portfolio.

Pursuant to the Group's commitment to phase in the advanced approach, agreed with the Supervisor (rollout plan), work on the main entities or portfolios still under the standardised approach continues. An update of the rollout plan is sent annually to the competent authority.

3.2.2.1 Exposures under the standardised approach

The exposure classes under the standardised approach are classified by counterparty type and financial product type, in one of the 17 classes set out in Article 112 of Regulation (EU) 575/2013 of 26 June 2013. The weightings applied to these same assets are calculated in accordance with Articles 114 to 134 of said Regulation.

For the "Central governments and central banks" and "Institutions" exposure classes, the Group has chosen to use Moody's ratings to evaluate the risk under the standardised approach.

Accordingly, when the counterparty's credit valuation from the rating agency is known, it is used to determine the applicable weighting. With respect to the counterparties in the "Institutions" or "Corporates" exposure categories for which the credit valuation is not known, the weighting used is determined having regard to the credit valuation of the jurisdiction of the central government in which this counterparty is established, in accordance with the provisions of Articles 121 and 122 of the aforementioned Regulation.

With respect to exposures on debt instruments in the banking portfolio, the rule is to apply the issuer's weighting ratio. This rate is determined using the rules described in the foregoing paragraph.

Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects at 31 December 2019 (CR4)

		Exposures before CCF and CRM		Exposures post-CCF and CRM		RWA and RWA density	
	31/12/2019 Asset classes *(in millions of euros)*	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	55,411	159	55,411	46	7,072	12.75%
2	Regional governments or local authorities	744	72	886	44	143	15.38%
3	Public sector entities	2,877	56	3,023	52	184	5.98%
4	Multilateral developments banks	114	-	155	-	25	16.13%
5	International organisations	907	-	907	-	-	-
6	Institutions	20,561	4,069	38,018	2,262	6,517	16.18%
7	Corporate	81,336	30,689	64,230	11,617	66,731	87.98%
8	Retail	27,602	4,196	26,108	733	18,206	67.83%
9	Secured by mortgages on immovable property	12,446	167	12,127	75	5,353	43.87%
10	Equity	1,173	6	1,173	6	1,399	118.66%
11	Exposure in default	2,178	160	1,816	75	2,262	119.62%
12	Higher-risk categories	2,057	634	1,989	295	3,427	150.04%
13	Covered bonds	1,044	-	1,044	-	169	16.19%
14	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Collective investment undertakings	13,226	20,894	13,226	6,363	7,235	36.93%
16	Other items	25,165	7	25,165	7	19,263	76.53%
17	**TOTAL**	**246,842**	**61,109**	**245,277**	**21,575**	**137,984**	**51.71%**

Standardised approach – Credit risk exposure and credit risk mitigation (CRM) effects at 31 December 2018 (CR4)

31/12/2018 Asset classes *(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 classes and by risk weights at 31 December 2019 (CR5)

31/12/2019 Asset classes *(in millions of euros)*	Risk weight																	
	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	50,170	-	-	-	101	-	378	-	-	3,432	8	-	-	-	-	1,367	55,457	55,456
2 Regional governments or local authorities	219	-	-	-	710	-	-	-	-	1	-	-	-	-	-	-	930	930
3 Public sector entities	2,502	-	-	-	464	-	34	-	-	74	-	-	-	-	-	-	3,074	3,042
4 Multilateral developments banks	116	-	-	-	17	-	-	-	-	21	-	-	-	-	-	-	155	155
5 International organisations	907	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	907	907
6 Institutions	20,343	2,275	-	-	10,602	-	5,497	-	-	1,486	77	-	-	-	-	-	40,281	31,302
7 Corporate	-	-	-	-	4,897	-	11,658	-	-	57,077	2,215	-	-	-	-	-	75,847	46,900
8 Retail	-	-	-	-	-	-	-	-	26,841	-	-	-	-	-	-	-	26,841	26,841
9 Secured by mortgages on immovable property	-	-	-	-	-	8,121	1,826	-	2,239	16	-	-	-	-	-	-	12,202	12,202
10 Equity exposure	-	-	-	-	-	-	-	-	-	1,033	-	146	-	-	-	-	1,179	1,179
11 Exposure in default	-	-	-	-	-	-	-	-	-	1,147	744	-	-	-	-	-	1,890	1,890
12 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	2,285	-	-	-	-	-	2,285	2,285
13 Covered bonds	-	-	-	651	360	-	-	-	-	32	-	-	-	-	-	-	1,044	-
14 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Claims in the form of CIU	7,709	-	5	80	3,218	-	4,237	-	-	4,093	247	-	-	-	-	-	19,589	18,098
16 Other items	4,394	-	-	-	1,895	-	-	-	-	18,883	-	-	-	-	-	-	25,172	25,172
17 TOTAL	**86,361**	**2,275**	**5**	**732**	**22,265**	**8,121**	**23,630**	**-**	**29,080**	**87,296**	**5,576**	**146**	**-**	**-**	**-**	**1,367**	**266,852**	**226,359**

Exposures by asset classes and by risk weights at 31 December 2018 (CR5)

31/12/2018 Asset classes *(in millions of euros)*		Risk weight																	
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others	Deduc-ted	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 and central banks" and "Banks (institutions)" treated under the standardised approach were mainly risk-weighted at 0% at end-2019 and at end-2018. This reflects the quality of the activities carried out with these types of counterparties.

3.2.2.2 Credit risk – internal ratings-based approach

Outstanding loans are classified by counterparty type and financial product type, based on the seven exposure classes shown in the table below and set out in Article 147 of Regulation (EU) 575/2013 of 26 June 2013 on capital requirements applicable to credit institutions and investment companies:

- in addition to exposures to "Central governments and central banks", the Central government and central banks class includes exposures to certain regional and local authorities and public sector agencies that are treated as central government agencies, as well as multilateral development banks and international organisations;
- the "Institutions" class comprises exposure to credit institutions and investment companies, including those recognised in other countries. It also includes some exposures to regional and local authorities, public sector agencies and multilateral development banks that are not classified under central governments;
- the "Corporates" class is divided into large corporates and small and medium-sized companies, which are subject to different regulatory treatments;
- the "Retail customers" class is broken down into loans secured by real estate granted to individuals and to small and medium businesses, revolving credit, other loans granted to individuals and to small and medium businesses;
- the "Equity" class comprises exposures that convey a residual, subordinated claim on the assets or income of the issuer or have a similar economic substance;

- the “Securitisation” class includes exposures to securitisation transactions or structures, including those resulting from interest rate or exchange rate derivatives, independently of the institution’s role (whether it is the originator, sponsor or investor);
- the “Assets other than credit obligations” class does not currently include any assets using the IRB approach.

In accordance with the regulatory rules in effect, risk-weighted assets in the “Central governments and central banks”, “Institutions”, “Corporates” and “Retail customers” classes are calculated by applying a prescribed formula, the main parameters of which are the EAD, PD, LGD and the maturity associated with each exposure:

- for exposures to Large customers (Central governments and central banks, Institutions and Corporates), the formula is given in Article 153 of EU Regulation 575/2013 of 26 June 2013;
- for exposures to Retail customers, the formula is given in Article 154 of EU Regulation 575/2013 of 26 June 2013.

Risk-weighted assets in the “Equities” category are calculated by applying standardised weightings to the carrying amount of the exposures. These weightings, set out in Article 155 of EU Regulation 575/2013 of 26 June 2013, depend on the nature of the equities involved: 190% for private equity exposures in sufficiently diversified portfolios, 290% for exchange traded equity exposures and 370% for all other “Equity” exposures excluding equity investments of over 10% in financial firms used in the calculation of the exemption threshold (250% weighting).

The calculation of risk-weighted assets in respect of “Securitisation” exposures is set out in the dedicated section below.

Risk-weighted assets of “Assets other than credit obligations” exposures are calculated in accordance with Article 156 of Regulation (EU) 575/2013 of 26 June 2013. The parameters of the formulas cited above are estimated using historical default and loss data collected internally by the Group. Note that the definition of default used for the calculation of these parameters has a significant influence on the value thereof.

Exposure at Default (EAD) is the amount of exposure to a counterparty at the time of said counterparty’s default. For balance sheet items, EAD corresponds to exposure net of provisions for items covered by the standardised approach to credit risk, and to gross amounts for items covered by internal ratings. In the case of limits and financing commitments not used by the counterparty, a portion of the total commitment is taken into account by applying a credit conversion factor (CCF). The CCF is estimated using an internal method validated by the supervisory authority for Retail banking portfolios. The Internal CCF is estimated on the basis of the CCF observed in cases of default by class of exposure. For other portfolios, a standard CCF of 20%, 50% or 100% is applied, depending on the nature of the commitment and its term.

For Large customers, default is defined on a customer-by customer basis. As a result, it factors in the principle of contagion: an exposure to a defaulting customer causes the classification under default of all of the said customer’s loans within the entity responsible for the uniformity of the rating and all of its loans within the Group.

For Retail customers, the default can be recorded at the level of the transaction. When applied to the debtor, it factors in the principle of contagion. Contagion rules are defined and precisely documented by the entity (joint account, outstandings of individuals or professionals, notion of risk group, etc.).

The pertinence and reliability of the rating data used are guaranteed by a process consisting in the initial validation and subsequent maintenance of internal models based on a structured and documented organisation implemented throughout the Group and involving entities, the Risk Management department and the Audit Group function.

The use of internal models for calculating solvency ratios has strengthened the Group’s risk management. In particular, the development of “internal rating” approaches has led to the systematic collection of reliable data in respect of historical default and loss for the majority of Group entities. The collection of historical data of this nature now makes it possible to quantify credit risk by giving each rating an average Probability of Default (PD) and, for “advanced internal rating” approaches, a Loss Given Default (LGD).

In addition, the parameters of the “internal rating” models are used in the definition, implementation and monitoring of the entities’ risk and credit policies. For Large customers, the Group’s unique rating system (identical tools and methods, shared data), in place for many years, has contributed to strengthening and standardising the use of ratings and the associated risk parameters within the entities. The uniqueness of ratings for the Large customer class thereby provides a shared framework on which to base standards and procedures, management tools, provisioning and risk-hedging policies, as well as alerts and close monitoring procedures. Due to their role in the monitoring and managing of risk within the various entities, ratings are subject to quality controls and regular monitoring at all stages of the rating process.

Internal models for measuring risks accordingly promote the development of sound risk-management practices among Group entities and improve the efficiency of the process of capital allocation by allowing a more accurate measurement of its consumption by business line and by entity.

The set of internal models used by the Crédit Agricole Group was presented for approval to the Standards and Models Committee before auditing by the Group Control and Audit department. This internal validation process pre-dates the application for formal approval to the ECB. The process of constructing and validating an internal rating model requires work over a period generally spanning three to five years, involving several on-site pre-validation and validation assignments.

After validation, systems governing internal ratings and the calculation of risk parameters are subject to permanent and periodic control within each Group entity.

Modelled parameter	Portfolio/Entity	Number of models
PD	Sovereigns	5
	Local authorities	8
	Financial Institutions (Banks, Insurance, Funds, etc.)	8
	Specialised financing	9
	Corporates	5
	Retail banking – Regional Banks	4
	Retail banking – LCL	2
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – CA Italia	3
LGD	Sovereigns	1
	Financial Institutions (Banks, Insurance, Funds, etc.)	4
	Specialised financing	8
	Corporates	1
	Retail banking – Regional Banks	12
	Retail banking – LCL	12
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – CA Italia	2
CCF	Retail banking – Regional Banks	2
	Retail banking – LCL	3
	Retail banking – Crédit Agricole Consumer Finance	4

3.2.2.3 Quality of exposures under the internal ratings-based approach

Presentation of the internal ratings system and procedure

The internal ratings systems and procedures are described in the section entitled “Risk management – Credit risk – Risk measurement methods and systems”.

The Retail customers credit risk exposure classes are presented separately as the internal ratings used for them are not the same as those for the other classes.

Credit risk exposures by portfolio and probability of default (PD) scale Foundation internal ratings-based approach at 31 December 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 adjustments and provisions
Central governments and central banks	0.00 to <0.15	119,083	737	73.87%	120,649	0.00%	45.00%		869	0.72%	1	-
	0.15 to <0.25	614	6	75.00%	615	0.16%	45.00%		254	41.35%	-	-
	0.25 to <0.50	31	9	75.00%	38	0.30%	44.84%		22	58.31%	-	-
	0.50 to <0.75	80	1	75.00%	81	0.60%	45.00%		65	80.81%	-	-
	0.75 to <2.50	53	4	75.23%	54	1.39%	44.97%		63	116.24%	-	-
	2.50 to <10.00	4	2	75.00%	5	5.00%	45.00%		9	173.92%	-	-
	10.00 to <100.00	32	2	75.00%	33	19.92%	45.00%		85	256.14%	3	-
	100.00 (Default)	-	-	-	-	-	-		-	-	-	-
	Sub-total	**119,897**	**761**	**73.89%**	**121,475**	**0.01%**	**45.00%**		**1,367**	**1.13%**	**5**	**27**
Institutions	0.00 to <0.15	44,998	3,800	66.25%	48,739	0.03%	41.85%		7,743	15.89%	7	-
	0.15 to <0.25	633	83	74.17%	711	0.16%	37.84%		265	37.29%	-	-
	0.25 to <0.50	678	17	61.70%	699	0.30%	45.00%		472	67.43%	1	-
	0.50 to <0.75	379	35	67.66%	389	0.60%	44.84%		332	85.51%	1	-
	0.75 to <2.50	287	48	55.38%	311	1.07%	43.86%		328	105.43%	1	-
	2.50 to <10.00	32	5	56.14%	35	5.00%	44.74%		57	164.86%	1	-
	10.00 to <100.00	269	26	73.86%	284	18.64%	29.99%		470	165.36%	15	-
	100.00 (Default)	14	-	-	14	100.00%	45.00%		-	-	6	-
	Sub-total	**47,289**	**4,015**	**66.31%**	**51,182**	**0.18%**	**41.81%**		**9,668**	**18.89%**	**33**	**46**
Corporates – Other	0.00 to <0.15	18,857	7,888	73.41%	25,065	0.04%	44.76%		5,089	20.30%	5	-
	0.15 to <0.25	6,097	3,708	74.48%	8,897	0.16%	44.57%		3,883	43.65%	6	-
	0.25 to <0.50	8,171	4,986	71.23%	11,728	0.30%	44.44%		7,154	61.00%	16	-
	0.50 to <0.75	6,793	3,169	71.07%	8,901	0.60%	44.37%		7,515	84.43%	24	-
	0.75 to <2.50	13,859	4,754	72.21%	16,280	1.23%	43.90%		17,635	108.33%	88	-
	2.50 to <10.00	1,039	340	71.30%	1,143	5.00%	43.60%		1,933	169.10%	25	-
	10.00 to <100.00	1,117	383	62.13%	1,239	16.68%	44.07%		3,122	252.07%	91	-
	100.00 (Default)	1,197	303	50.59%	1,340	100.00%	44.87%		-	-	601	-
	Sub-total	**57,131**	**25,532**	**72.18%**	**74,591**	**2.57%**	**44.43%**		**46,332**	**62.12%**	**856**	**1,254**
Corporates – SME	0.00 to <0.15	521	82	75.21%	582	0.04%	44.51%		95	16.37%	-	-
	0.15 to <0.25	850	429	75.44%	1,176	0.16%	44.09%		468	39.83%	1	-
	0.25 to <0.50	1,977	513	75.66%	2,250	0.30%	43.60%		1,156	51.37%	3	-
	0.50 to <0.75	2,872	758	76.35%	3,414	0.60%	43.67%		2,371	69.46%	9	-
	0.75 to <2.50	17,315	3,914	77.04%	19,827	1.40%	43.13%		17,606	88.80%	119	-
	2.50 to <10.00	3,382	589	76.76%	3,532	5.00%	42.45%		4,305	121.88%	75	-
	10.00 to <100.00	1,946	347	78.16%	1,974	15.18%	42.53%		3,601	182.44%	128	-
	100.00 (Default)	1,266	156	77.63%	1,311	100.00%	44.15%		-	-	579	-
	Sub-total	**30,129**	**6,789**	**76.77%**	**34,065**	**6.15%**	**43.20%**		**29,602**	**86.90%**	**914**	**1,593**
TOTAL (ALL PORTFOLIOS)		**256,172**	**37,545**	**72.47%**	**283,381**	**1.46%**	**44.05%**		**88,321**	**31.17%**	**1,813**	**2,930**

Credit risk exposures by portfolio and probability of default (PD) scale Foundation 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 to <0.15	104,918	820	74.24%	106,534	0.00%	45.00%		1,373	1.29%	1	-
	0.15 to <0.25	642	-	-	642	0.16%	45.00%		264	41.15%	-	-
	0.25 to <0.50	40	4	75.00%	42	0.30%	44.85%		25	59.87%	-	-
	0.50 to <0.75	42	6	75.00%	47	0.60%	45.00%		38	80.94%	-	-
	0.75 to <2.50	54	4	75.00%	56	1.22%	45.00%		63	111.78%	-	-
	2.50 to <10.00	-	-	-	-	-	-		-	-	-	-
	10.00 to <100.00	32	1	76.11%	33	19.00%	44.94%		82	251.75%	3	-
	100.00 (Default)	-	-	-	-	-	-		-	-	-	-
	Sub-total	**105,728**	**834**	**74.25%**	**107,352**	**0.01%**	**45.00%**		**1,845**	**1.72%**	**5**	**18**
Institutions	0.00 to <0.15	43,040	3,815	65.75%	46,740	0.03%	42.38%		7,543	16.14%	7	-
	0.15 to <0.25	840	217	74.59%	999	0.16%	41.10%		385	38.50%	1	-
	0.25 to <0.50	959	39	51.46%	981	0.30%	42.14%		664	67.69%	1	-
	0.50 to <0.75	378	41	58.34%	392	0.60%	44.84%		357	90.88%	1	-
	0.75 to <2.50	215	39	75.45%	244	1.27%	44.77%		276	112.89%	1	-
	2.50 to <10.00	22	2	67.23%	23	5.00%	44.66%		38	162.81%	1	-
	10.00 to <100.00	196	40	73.77%	206	19.99%	45.00%		520	252.70%	19	-
	100.00 (Default)	29	1	75.00%	30	100.00%	45.00%		-	-	13	-
	Sub-total	**45,679**	**4,195**	**66.15%**	**49,616**	**0.20%**	**42.40%**		**9,782**	**19.72%**	**43**	**55**
Corporates – Other	0.00 to <0.15	19,020	8,781	76.67%	26,125	0.04%	44.83%		5,321	20.37%	5	-
	0.15 to <0.25	5,881	3,128	73.35%	8,271	0.16%	44.59%		3,611	43.66%	6	-
	0.25 to <0.50	7,071	4,317	70.70%	10,012	0.30%	44.54%		6,087	60.80%	13	-
	0.50 to <0.75	7,225	3,447	73.53%	9,548	0.60%	44.38%		8,090	84.73%	25	-
	0.75 to <2.50	11,377	3,928	69.37%	13,365	1.22%	43.98%		14,421	107.90%	72	-
	2.50 to <10.00	941	393	73.58%	1,080	5.00%	43.79%		1,828	169.23%	24	-
	10.00 to <100.00	1,244	345	66.61%	1,357	18.04%	44.22%		3,485	256.79%	109	-
	100.00 (Default)	800	140	69.53%	876	100.00%	44.67%		-	-	391	-
	Sub-total	**53,560**	**24,480**	**73.41%**	**70,635**	**2.05%**	**44.51%**		**42,843**	**60.65%**	**645**	**1,210**
Corporates – SME	0.00 to <0.15	486	117	76.36%	592	0.04%	44.46%		98	16.59%	-	-
	0.15 to <0.25	1,046	198	79.21%	1,208	0.16%	44.11%		463	38.35%	1	-
	0.25 to <0.50	1,796	479	74.71%	2,087	0.30%	43.63%		1,065	51.02%	3	-
	0.50 to <0.75	2,461	700	76.25%	2,975	0.60%	43.43%		2,067	69.46%	8	-
	0.75 to <2.50	16,377	3,903	77.19%	18,768	1.39%	43.18%		16,878	89.93%	113	-
	2.50 to <10.00	3,126	570	78.99%	3,312	5.00%	42.85%		4,183	126.31%	71	-
	10.00 to <100.00	1,893	328	76.96%	1,897	15.43%	42.42%		3,581	188.75%	124	-
	100.00 (Default)	1,203	169	78.57%	1,260	100.00%	44.11%		-	-	556	-
	Sub-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) scale Advanced internal ratings-based approach at 31 December 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 adjustments and provisions
Central governments and central banks	0.00 to <0.15	85,427	2,155	63.25%	97,936	0.00%	1.56%	580	289	0.30%	-	-
	0.15 to <0.25	1,110	10	64.96%	1,789	0.16%	9.91%	829	155	8.64%	-	-
	0.25 to <0.50	17	-	-	17	0.30%	10.00%	651	3	14.94%	-	-
	0.50 to <0.75	678	213	75.00%	425	0.60%	10.00%	602	64	15.14%	-	-
	0.75 to <2.50	609	595	75.02%	86	0.95%	45.71%	760	84	97.64%	-	-
	2.50 to <10.00	726	99	71.63%	52	5.00%	59.60%	1,295	118	228.29%	2	-
	10.00 to <100.00	122	214	75.63%	28	16.13%	78.70%	1,299	131	458.57%	4	-
	100.00 (Default)	100	17	75.00%	27	100.00%	45.00%	1,481	3	10.46%	15	-
	Sub-total	**88,789**	**3,304**	**63.64%**	**100,361**	**0.05%**	**1.85%**	**586**	**846**	**0.84%**	**22**	**29**
Institutions	0.00 to <0.15	21,608	2,577	94.45%	27,885	0.03%	11.12%	601	884	3.17%	1	-
	0.15 to <0.25	2,008	466	52.83%	714	0.16%	36.14%	769	260	36.37%	-	-
	0.25 to <0.50	598	963	38.76%	924	0.30%	38.28%	551	346	37.46%	1	-
	0.50 to <0.75	228	1,048	26.50%	497	0.60%	47.05%	506	312	62.84%	1	-
	0.75 to <2.50	285	680	45.53%	408	1.05%	31.07%	820	311	76.17%	2	-
	2.50 to <10.00	-	123	22.20%	27	5.00%	82.81%	297	82	303.12%	1	-
	10.00 to <100.00	-	23	31.28%	6	12.41%	70.17%	468	26	410.73%	1	-
	100.00 (Default)	401	20	20.20%	405	100.00%	45.01%	595	12	3.02%	386	-
	Sub-total	**25,128**	**5,900**	**77.07%**	**30,866**	**1.38%**	**13.87%**	**604**	**2,233**	**7.24%**	**393**	**395**
Corporates – Other	0.00 to <0.15	24,474	53,896	54.01%	53,725	0.04%	34.96%	761	7,435	13.84%	8	-
	0.15 to <0.25	11,849	19,075	47.13%	18,135	0.16%	43.04%	831	6,117	33.73%	11	-
	0.25 to <0.50	10,192	17,401	48.87%	14,497	0.30%	45.93%	870	7,078	48.82%	16	-
	0.50 to <0.75	7,643	9,299	57.53%	9,165	0.60%	46.30%	823	6,451	70.39%	20	-
	0.75 to <2.50	9,717	11,350	55.74%	10,098	1.11%	47.63%	927	8,483	84.02%	40	-
	2.50 to <10.00	605	440	46.06%	252	5.00%	52.77%	1,082	419	166.25%	5	-
	10.00 to <100.00	1,055	1,604	33.32%	843	15.49%	35.91%	656	1,364	161.85%	40	-
	100.00 (Default)	1,882	898	31.27%	1,986	100.00%	45.39%	899	292	14.68%	1,507	-
	Sub-total	**67,417**	**113,963**	**52.13%**	**108,700**	**2.20%**	**40.14%**	**810**	**37,639**	**34.63%**	**1,647**	**1,950**
Corporates – SME	0.00 to <0.15	44	1	72.93%	45	0.06%	45.81%	1,037	11	25.57%	-	-
	0.15 to <0.25	29	-	-	32	0.16%	49.98%	1,338	19	59.98%	-	-
	0.25 to <0.50	7	3	46.94%	9	0.30%	49.86%	622	4	47.45%	-	-
	0.50 to <0.75	6	345	20.38%	44	0.60%	51.08%	432	32	71.14%	-	-
	0.75 to <2.50	126	94	52.71%	153	1.53%	33.06%	900	98	64.35%	1	-
	2.50 to <10.00	16	3	59.65%	10	5.00%	44.42%	693	13	131.32%	-	-
	10.00 to <100.00	21	2	83.76%	22	17.76%	36.98%	584	37	168.16%	1	-
	100.00 (Default)	2	-	36.28%	2	100.00%	45.00%	433	-	-	4	-
	Sub-total	**252**	**448**	**30.72%**	**317**	**2.92%**	**40.25%**	**858**	**215**	**67.83%**	**7**	**6**
Corporates – Specialised Lending	0.00 to <0.15	2,092	1,511	55.65%	10,419	0.03%	7.32%	1,327	409	3.93%	-	-
	0.15 to <0.25	8,127	2,003	63.82%	10,619	0.16%	10.23%	1,312	1,192	11.23%	2	-
	0.25 to <0.50	10,783	4,208	59.55%	11,405	0.30%	11.11%	1,268	1,866	16.36%	4	-
	0.50 to <0.75	10,011	2,757	51.42%	9,486	0.60%	12.01%	1,171	2,132	22.47%	7	-
	0.75 to <2.50	11,548	4,810	48.52%	10,105	1.10%	13.57%	1,247	3,328	32.94%	15	-
	2.50 to <10.00	1,030	67	48.95%	865	5.00%	14.22%	1,241	444	51.34%	6	-
	10.00 to <100.00	1,569	40	73.00%	907	13.94%	13.16%	1,059	608	67.04%	18	-
	100.00 (Default)	1,170	26	79.17%	1,142	100.00%	40.58%	1,068	23	2.00%	395	-
	Sub-total	**46,330**	**15,422**	**55.89%**	**54,949**	**2.79%**	**11.52%**	**1,259**	**10,002**	**18.20%**	**447**	**571**

(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
Retail – Secured by immovable property non SME	0.00 to <0.15	141,938	5,402	100.00%	147,340	0.07%	11.50%		3,223	2.19%	11	-
	0.15 to <0.25	66,782	2,381	100.00%	69,163	0.19%	12.07%		3,563	5.15%	16	-
	0.25 to <0.50	71,175	3,641	99.98%	74,816	0.44%	11.78%		6,918	9.25%	39	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	39,487	2,878	100.00%	42,365	1.35%	11.66%		8,095	19.11%	66	-
	2.50 to <10.00	32,700	1,781	99.99%	34,481	4.90%	12.41%		14,878	43.15%	212	-
	10.00 to <100.00	2,694	85	99.40%	2,778	26.38%	-		2,457	88.42%	108	-
	100.00 (Default)	3,854	12	57.99%	3,861	100.00%	38.79%		778	20.15%	1,497	-
	Sub-total	**358,631**	**16,180**	**99.96%**	**374,805**	**1.78%**	**11.92%**		**39,911**	**10.65%**	**1,949**	**2,538**
Retail – Other SME	0.00 to <0.15	213	5,848	78.15%	4,782	0.07%	37.36%		91	1.91%	1	-
	0.15 to <0.25	153	1,612	93.66%	1,663	0.19%	27.32%		52	3.12%	1	-
	0.25 to <0.50	465	3,361	80.94%	3,185	0.46%	45.33%		333	10.44%	7	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	1,157	2,413	70.39%	2,856	1.54%	52.02%		866	30.31%	24	-
	2.50 to <10.00	2,172	1,765	110.66%	4,125	5.05%	47.84%		2,475	59.99%	98	-
	10.00 to <100.00	229	72	176.11%	355	30.84%	45.62%		461	130.02%	52	-
	100.00 (Default)	317	14	8.17%	320	100.00%	83.31%		104	32.50%	267	-
	Sub-total	**4,706**	**15,085**	**83.39%**	**17,287**	**3.71%**	**44.19%**		**4,381**	**25.34%**	**450**	**388**
Retail – Qualifying revolving	0.00 to <0.15	36,398	1,493	105.88%	38,011	0.07%	14.22%		1,147	3.02%	4	-
	0.15 to <0.25	15,442	646	106.13%	16,167	0.20%	17.95%		1,271	7.86%	6	-
	0.25 to <0.50	18,443	924	104.90%	19,466	0.44%	22.48%		3,183	16.35%	19	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	18,675	845	105.22%	19,602	1.38%	37.16%		8,807	44.93%	103	-
	2.50 to <10.00	15,993	454	107.40%	16,691	4.67%	36.56%		9,493	56.87%	270	-
	10.00 to <100.00	1,826	25	106.93%	1,968	11.78%	16.04%		1,655	84.07%	273	-
	100.00 (Default)	3,066	9	33.19%	3,082	100.00%	67.85%		753	24.45%	2,127	-
	Sub-total	**109,843**	**4,394**	**105.61%**	**114,986**	**3.74%**	**24.49%**		**26,308**	**22.88%**	**2,803**	**2,941**
Retail – Secured by immovable property SME	0.00 to <0.15	2,035	41	100.30%	2,075	0.15%	16.51%		94	4.55%	1	-
	0.15 to <0.25	3,279	68	100.03%	3,347	0.28%	18.06%		266	7.96%	2	-
	0.25 to <0.50	4,526	112	100.06%	4,638	0.54%	19.24%		624	13.46%	5	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	6,036	243	100.12%	6,279	1.39%	19.21%		1,579	25.16%	17	-
	2.50 to <10.00	4,221	193	100.01%	4,414	6.41%	19.17%		2,633	59.65%	56	-
	10.00 to <100.00	818	47	100.00%	865	7.18%	5.24%		853	98.68%	48	-
	100.00 (Default)	794	1	21.47%	794	100.00%	63.67%		168	21.15%	506	-
	Sub-total	**21,709**	**703**	**99.99%**	**22,412**	**5.32%**	**19.95%**		**6,219**	**27.75%**	**634**	**740**
Retail – Other non-SME	0.00 to <0.15	11,202	1,882	116.84%	13,400	0.16%	17.07%		1,004	7.49%	3	-
	0.15 to <0.25	16,531	2,044	113.14%	18,844	0.27%	21.50%		2,726	14.47%	11	-
	0.25 to <0.50	14,548	1,512	105.27%	16,140	0.52%	26.69%		4,055	25.13%	23	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	24,171	2,785	109.27%	27,214	1.43%	24.66%		9,146	33.61%	96	-
	2.50 to <10.00	15,215	1,585	105.68%	16,891	6.38%	28.06%		9,075	53.73%	293	-
	10.00 to <100.00	3,129	303	101.79%	3,438	9.02%	-		2,759	80.24%	261	-
	100.00 (Default)	3,820	175	17.02%	3,852	100.00%	73.38%		789	20.48%	2,816	-
	Sub-total	**88,616**	**10,285**	**108.49%**	**99,778**	**5.56%**	**25.09%**		**29,554**	**29.62%**	**3,503**	**4,147**
TOTAL (ALL PORTFOLIOS)		**811,422**	**185,684**	**65.76%**	**924,461**	**2.42%**	**17.91%**		**157,308**	**17.02%**	**11,854**	**13,706**

Credit risk exposures by portfolio and probability of default (PD) scale 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 adjustments and provisions
Central governments and central banks	0.00 to <0.15	68,908	2,890	66.98%	81,026	0.01%	1.40%	614	227	0.28%	-	-
	0.15 to <0.25	453	-	64.06%	1,166	0.16%	10.00%	1,031	116	9.99%	-	-
	0.25 to <0.50	378	-	-	378	0.30%	9.98%	404	36	9.52%	-	-
	0.50 to <0.75	775	214	75.00%	323	0.60%	10.00%	559	47	14.65%	-	-
	0.75 to <2.50	296	490	75.00%	45	1.24%	46.88%	1,331	58	127.73%	-	-
	2.50 to <10.00	685	315	73.86%	82	5.00%	59.76%	1,459	140	171.06%	2	-
	10.00 to <100.00	84	108	76.34%	26	12.41%	77.60%	1,126	104	402.17%	3	-
	100.00 (Default)	78	-	-	31	100.00%	45.00%	1,367	-	1.04%	17	-
	Sub-total	**71,657**	**4,017**	**66.96%**	**83,077**	**0.06%**	**1.72%**	**620**	**729**	**0.88%**	**22**	**25**
Institutions	0.00 to <0.15	18,781	3,582	87.34%	22,845	0.03%	12.83%	522	856	3.75%	1	-
	0.15 to <0.25	814	492	48.31%	512	0.16%	38.47%	757	233	45.49%	-	-
	0.25 to <0.50	789	1,165	39.05%	1,139	0.30%	42.29%	529	437	38.33%	1	-
	0.50 to <0.75	404	712	44.53%	568	0.60%	52.59%	427	384	67.69%	1	-
	0.75 to <2.50	842	1,087	41.63%	862	0.96%	39.11%	543	632	73.37%	3	-
	2.50 to <10.00	47	87	20.81%	21	5.00%	56.40%	438	56	267.61%	1	-
	10.00 to <100.00	95	24	27.69%	100	19.48%	39.01%	1,639	229	228.88%	7	-
	100.00 (Default)	377	-	-	377	100.00%	45.01%	625	-	-	394	-
	Sub-total	**22,148**	**7,148**	**70.31%**	**26,423**	**1.59%**	**16.90%**	**531**	**2,828**	**10.70%**	**409**	**399**
Corporates – Other	0.00 to <0.15	24,839	52,452	54.46%	52,758	0.04%	35.64%	733	7,543	14.30%	8	-
	0.15 to <0.25	10,366	15,375	57.43%	16,753	0.16%	43.50%	972	6,201	37.01%	10	-
	0.25 to <0.50	7,098	16,843	48.25%	11,804	0.30%	49.49%	958	6,315	53.50%	14	-
	0.50 to <0.75	7,763	8,937	59.17%	9,508	0.60%	45.77%	918	6,771	71.22%	21	-
	0.75 to <2.50	8,218	10,956	56.01%	10,567	1.10%	45.60%	1,108	9,762	92.38%	43	-
	2.50 to <10.00	495	636	55.96%	304	5.00%	50.28%	772	418	137.69%	6	-
	10.00 to <100.00	944	1,704	36.14%	953	15.54%	41.72%	1,003	1,595	167.30%	49	-
	100.00 (Default)	1,575	283	43.77%	1,580	100.00%	45.12%	843	11	0.72%	1,310	-
	Sub-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 to <0.15	6	4	20.00%	6	0.06%	46.61%	1,443	2	24.78%	-	-
	0.15 to <0.25	2	-	100.00%	2	0.16%	48.16%	619	1	29.32%	-	-
	0.25 to <0.50	3	3	54.78%	4	0.30%	47.60%	1,104	3	60.56%	-	-
	0.50 to <0.75	20	142	75.85%	36	0.60%	35.76%	623	17	48.13%	-	-
	0.75 to <2.50	127	247	49.36%	218	1.33%	36.09%	1,053	161	73.93%	1	-
	2.50 to <10.00	10	1	63.61%	10	5.00%	38.42%	1,134	10	108.87%	-	-
	10.00 to <100.00	51	163	75.10%	161	19.65%	45.90%	1,626	164	101.40%	4	-
	100.00 (Default)	7	-	84.72%	8	100.00%	45.05%	402	-	0.00%	4	-
	Sub-total	**227**	**558**	**60.43%**	**445**	**9.63%**	**40.14%**	**1,221**	**357**	**80.28%**	**9**	**7**
Corporates – Specialised Lending	0.00 to <0.15	1,757	1,419	51.18%	9,192	0.03%	5.50%	1,354	259	2.82%	-	-
	0.15 to <0.25	8,036	2,429	68.05%	10,219	0.16%	9.73%	1,350	1,046	10.24%	1	-
	0.25 to <0.50	10,573	2,943	63.51%	10,421	0.30%	12.23%	1,313	1,801	17.28%	4	-
	0.50 to <0.75	8,274	2,583	43.08%	7,862	0.60%	11.76%	1,290	1,736	22.09%	5	-
	0.75 to <2.50	10,506	3,679	57.63%	9,774	1.12%	14.37%	1,280	3,234	33.09%	15	-
	2.50 to <10.00	1,301	161	40.18%	1,036	5.00%	15.65%	1,121	559	53.97%	8	-
	10.00 to <100.00	1,672	241	59.39%	1,127	15.74%	19.58%	1,111	1,134	100.60%	35	-
	100.00 (Default)	1,195	29	78.00%	1,159	100.00%	41.97%	1,093	62	5.39%	421	-
	Sub-total	**43,314**	**13,484**	**56.90%**	**50,790**	**3.14%**	**11.76%**	**1,304**	**9,832**	**19.36%**	**489**	**761**

(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
Retail – Secured by immovable property non SME	0.00 to <0.15	127,687	4,746	99.99%	132,433	0.07%	12.18%	-	3,111	2.35%	11	-
	0.15 to <0.25	56,232	1,961	99.97%	58,193	0.17%	12.82%	-	3,130	5.38%	13	-
	0.25 to <0.50	55,467	2,634	99.97%	58,100	0.40%	12.27%	-	5,273	9.08%	28	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	51,710	2,999	99.99%	54,709	1.16%	12.36%	-	10,187	18.62%	78	-
	2.50 to <10.00	31,339	2,100	99.99%	33,439	5.09%	12.77%	-	15,429	46.14%	219	-
	10.00 to <100.00	2,624	85	100.00%	2,709	26.78%	-	-	2,417	89.22%	104	-
	100.00 (Default)	4,016	8	30.40%	4,018	100.00%	63.62%	-	1,370	34.09%	2,556	-
	Sub-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 to <0.15	241	5,800	56.60%	3,524	0.07%	60.55%	-	269	7.63%	2	-
	0.15 to <0.25	145	1,567	58.77%	1,066	0.18%	54.20%	-	229	21.43%	1	-
	0.25 to <0.50	367	2,884	62.86%	2,179	0.42%	61.13%	-	484	22.19%	6	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	1,223	2,622	62.89%	2,872	1.48%	58.45%	-	1,245	43.36%	26	-
	2.50 to <10.00	2,168	1,557	78.41%	3,389	5.26%	58.41%	-	2,769	81.71%	104	-
	10.00 to <100.00	234	71	84.97%	295	32.74%	58.36%	-	479	162.60%	55	-
	100.00 (Default)	338	15	7.53%	339	100.00%	85.08%	-	69	20.46%	289	-
	Sub-total	**4,717**	**14,516**	**61.64%**	**13,665**	**4.58%**	**60.13%**	**-**	**5,544**	**40.57%**	**482**	**423**
Retail – Qualifying revolving	0.00 to <0.15	35,415	1,372	96.57%	36,740	0.07%	16.53%	-	1,280	3.48%	4	-
	0.15 to <0.25	13,390	562	97.53%	13,938	0.18%	21.12%	-	1,262	9.06%	5	-
	0.25 to <0.50	15,627	797	99.58%	16,421	0.40%	24.59%	-	2,858	17.40%	17	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	21,800	919	102.30%	22,740	1.27%	35.04%	-	9,558	42.03%	109	-
	2.50 to <10.00	15,887	496	101.21%	16,390	4.84%	37.94%	-	9,806	59.83%	283	-
	10.00 to <100.00	1,854	26	104.51%	1,882	10.30%	14.67%	-	1,712	90.99%	295	-
	100.00 (Default)	3,266	10	31.99%	3,271	100.00%	75.47%	-	852	26.04%	2,515	-
	Sub-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 to <0.15	1,412	21	99.92%	1,433	0.15%	25.57%	-	107	7.50%	1	-
	0.15 to <0.25	1,053	21	99.85%	1,074	0.19%	15.25%	-	54	5.00%	-	-
	0.25 to <0.50	6,635	140	99.84%	6,774	0.49%	22.19%	-	1,005	14.83%	7	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	5,650	237	100.00%	5,887	1.55%	20.79%	-	1,769	30.05%	19	-
	2.50 to <10.00	4,079	163	99.98%	4,241	7.07%	21.23%	-	3,020	71.20%	66	-
	10.00 to <100.00	856	45	100.00%	901	2.64%	2.09%	-	943	104.71%	53	-
	100.00 (Default)	847	1	0.01%	847	100.00%	70.99%	-	229	26.99%	601	-
	Sub-total	**20,532**	**627**	**99.87%**	**21,157**	**5.80%**	**22.52%**	**-**	**7,127**	**33.69%**	**748**	**765**
Retail – Other non-SME	0.00 to <0.15	4,674	686	85.40%	5,260	0.16%	31.25%	-	754	14.34%	3	-
	0.15 to <0.25	9,109	1,263	85.98%	10,195	0.18%	18.11%	-	1,024	10.04%	3	-
	0.25 to <0.50	25,498	3,265	86.24%	28,314	0.45%	24.35%	-	5,954	21.03%	33	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	22,733	2,763	89.49%	25,206	1.62%	25.03%	-	8,796	34.90%	100	-
	2.50 to <10.00	15,049	1,613	90.95%	16,516	7.01%	28.95%	-	9,260	56.06%	322	-
	10.00 to <100.00	3,290	308	93.99%	3,579	2.89%	-	-	2,977	83.19%	297	-
	100.00 (Default)	3,881	190	13.93%	3,908	100.00%	79.13%	-	1,042	26.66%	3,092	-
	Sub-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**

The disparities between customer classes seen in prior years in the retail banking portfolio were again apparent in 2019. The PD levels observed in loans secured by real estate assets are significantly lower than for other classes. For instance, 78.0% of gross exposures to the “Retail loans secured by real estate assets” portfolio have a PD of under 0.5%, while this figure is 47.7% for “Other loans to small and medium businesses” in the IRB portfolio – the Group’s Retail Banking arm. The differences in respect of PD levels are even more pronounced if we observe the contributions of expected losses attributable to significant differences in LGD levels from one portfolio to another: Exposure to “Retail loans secured by real estate assets” accounted for 59.6% of total Retail customer EAD but only 20.9% of expected losses.

PD and average LGD by non-defaulted exposure class under the A-IRB approach by geographic area

The LGDs in this table are regulatory and may be subject to floors on certain portfolios.

		31/12/2019		31/12/2018	
		A-IRB approach		A-IRB approach	
Type exposure	Geographical areas	PD	LGD	PD	LGD
LOANS TO SME					
o/w other loans	**All geographical areas**	**2.65%**	**24.02%**	**3.07%**	**25.25%**
	France (including overseas departments and territories)	2.65%	22.83%	3.08%	24.02%
	Western Europe excluding Italy	1.87%	27.18%	1.83%	27.25%
	Italy	2.66%	48.66%	3.04%	48.25%
o/w secured by real estate assets	**All geographical areas**	**2.94%**	**18.83%**	**3.32%**	**21.41%**
	France (including overseas departments and territories)	2.98%	19.03%	3.37%	21.89%
	Italy	2.59%	16.80%	2.90%	17.00%
LOANS TO INDIVIDUAL CUSTOMERS					
o/w secured by real estate assets	**All geographical areas**	**0.96%**	**11.78%**	**1.03%**	**12.40%**
	France (including overseas departments and territories)	0.96%	11.54%	1.03%	12.18%
	Italy	0.86%	17.17%	0.87%	17.37%
o/w revolving	**All geographical areas**	**2.26%**	**43.06%**	**2.48%**	**59.09%**
	France (including overseas departments and territories)	1.99%	37.56%	2.12%	57.21%
	Italy	3.51%	69.34%	4.08%	67.40%
o/w others	**All geographical areas**	**1.63%**	**23.88%**	**1.68%**	**25.82%**
	France (including overseas departments and territories)	1.62%	20.94%	1.66%	23.48%
	Western Europe excluding Italy	1.07%	17.44%	1.05%	17.02%
	Italy	2.83%	63.18%	2.96%	62.42%
	Asia-Pacific excluding Japan	-	-	-	-
CENTRAL GOVERNMENTS AND CENTRAL BANKS					
	All geographical areas	**0.02%**	**1.87%**	**0.02%**	**1.73%**
	France (including overseas departments and territories)	0.04%	2.38%	0.04%	2.33%
	North America	0.00%	1.00%	0.00%	1.00%
	Western Europe excluding Italy	0.01%	2.29%	0.01%	1.44%
	Italy	0.03%	5.81%	0.03%	3.11%
	Japan	0.00%	1.00%	0.00%	1.00%
	Asia-Pacific excluding Japan	0.05%	1.96%	0.04%	1.83%
	Africa and Middle East	0.08%	8.21%	0.07%	6.97%
	Eastern Europe	0.16%	10.00%	0.31%	10.84%
CORPORATES					
	All geographical areas	**0.57%**	**30.98%**	**0.57%**	**31.68%**
	France (including overseas departments and territories)	0.64%	28.32%	0.56%	30.23%
	North America	0.68%	29.41%	0.72%	29.16%
	Western Europe excluding Italy	0.41%	38.20%	0.64%	37.57%
	Italy	0.61%	40.49%	0.38%	37.41%
	Japan	0.60%	18.73%	0.42%	17.71%
	Asia-Pacific excluding Japan	0.35%	32.44%	0.33%	33.06%
	Africa and Middle East	0.67%	51.99%	0.30%	54.18%
	Eastern Europe	0.39%	41.06%	0.45%	40.06%
INSTITUTIONS					
	All geographical areas	**0.10%**	**16.37%**	**0.19%**	**18.22%**
	France (including overseas departments and territories)	0.09%	15.08%	0.20%	15.55%
	North America	0.09%	10.44%	0.11%	13.85%
	Western Europe excluding Italy	0.11%	18.78%	0.16%	25.18%
	Italy	0.05%	6.01%	0.22%	28.94%
	Japan	0.14%	22.64%	0.13%	22.06%
	Asia-Pacific excluding Japan	0.15%	29.69%	0.16%	32.16%
	Africa and Middle East	0.10%	23.44%	0.08%	36.72%
	Eastern Europe	0.56%	57.04%	0.64%	75.03%

Only the following entities located in France (Regional Banks, the social entity of Crédit Agricole S.A., Regional Banks and LCL) use the F-IRB approach for their RWA calculations on the Central governments and central banks, Institutions and Corporates exposure classes.

3.2.2.4 Use of credit derivatives for hedging purposes

Effect of credit derivatives used for credit risk mitigation (CRM) on risk-weighted assets (RWA) under the internal ratings-based approach at 31 December 2019.

Effect of credit derivatives on risk-weighted assets (CR7)

31/12/2019 *(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	3	0
9	Institutions	5	3
10	Corporates – SMEs	5,947	3,539
11	Corporates – Specialised lending	8	8
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**	**5,963**	**3,550**

3.2.2.5 Change in RWA between 31 December 2018 and 31 December 2019

Risk-weighted asset (RWA) flow statements of credit risk exposures under the internal ratings-based approach (CR8)

31/12/2019 *(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	15,410	1,233
3	Asset quality	2,930	234
4	Model updates	(11,565)	(925)
5	Methodology and policy	-	-
6	Acquisitions and disposals	502	40
7	Foreign exchange movements	890	71
8	Other	(3,975)	(318)
9	**RWAs as at the end of the reporting period (31/12/2019)**	**323,803**	**25,904**

3.2.2.6 Backtesting results

In the following paragraphs, backtesting covers all the methods and procedures used to verify the performance and stability of the internal risk models (PD, LGD, CCF), specifically by comparing forecasts with actual results.

With regard to permanent control, a Backtesting Committee has been established within each entity. The Committee (which may, for some entities, be a specific agenda item for the Risk Committee) is chaired by the Risk Management department of the relevant entity and includes a representative from the Group Risk Management and Permanent Controls department. It meets at least twice a year and is the subject of reports to the Chief Executive Officer and the Head of the entity's Permanent Control department, as well as the Group Risk Management department.

Periodic control is conducted annually by the Internal Audit function or any third party specifically authorised by it. The audit plan covers:

- systems for calculating ratings and estimating risk parameters, as well as compliance with minimum requirements;
- systems functioning (correct implementation).

The corresponding reports are sent to the person responsible for monitoring the relevant entity within the Group Risk Management department.

The entity performs internal controls (permanent and periodic) on:

- the quality of input and output data within the system;

- the conceptual and technical quality of systems for calculating ratings and estimating risk parameters;
- the completeness of data used for the calculation of risk-weighted assets.

Backtesting is critical in maintaining the pertinence and performance of rating models. A first phase of analysis is based chiefly on the quantitative analysis of the predictive model as a whole and its main explanatory variables.

This exercise can also detect significant changes in the structure and behaviour of portfolios and customers. Backtesting then results in decisions to adjust or recast models in order to factor in the new structural elements. This allows changes in non-cyclical behaviour or change in the franchise to be identified, revealing the impact of commercial or risk strategies implemented by the Bank.

Across the Group as a whole, each rating method is back-tested at least once a year by the unit responsible for the method (Group Risk Management department or its delegate). This provides the Group annually, through the Standards and Models Committee, with the result of backtesting after consulting an *ad hoc* Committee to confirm the proper application of selected statistical methods and the validity of results, and proposes, where appropriate, suitable corrective measures (revision of the method, recalibration, training, recommendations for control, etc.).

These ex-post controls are performed – through the cycle – on historical data covering as long a period as possible. The following tables show the backtesting results for 2019 in respect of the Probability of Default (PD) and Loss Given Default (LGD) models.

Backtesting of probability of default (PD) per portfolio (CR9) at 31 December 2019

				Number of obligors			
Exposure class	PD range	Weighted average PD	Arithmetic average PD by obligors(1)	End of previous year	End of the year	Defaulted obligors in the year	Average historical annual default rate
Individual customers	0 to <0.15	0.1%	0.1%	8,275,518	8,452,543	5,089	0.1%
	0.15 to <0.25	0.2%	0.2%	2,794,382	2,873,042	4,833	0.2%
	0.25 to <0.50	0.3%	0.3%	3,823,790	3,861,129	13,388	0.3%
	0.50 to <0.75	0.6%	0.6%	2,311,502	2,533,751	13,405	0.6%
	0.75 to <2.50	1.3%	1.3%	4,521,929	4,744,377	52,394	1.2%
	2.50 to <10.00	4.1%	4.3%	4,074,914	3,607,676	157,435	4.2%
	10.00 to <100	21.5%	22.5%	983,260	1,664,844	224,691	22.2%
	TOTAL	**1.1%**	**1.5%**	**26,785,295**	**27,737,362**	**471,235**	**1.5%**
Business customers	0 to <0.15	0.1%	0.1%	115,149	144,784	52	0.0%
	0.15 to <0.25	0.2%	0.2%	762,684	765,051	1,041	0.2%
	0.25 to <0.50	0.3%	0.3%	595,723	613,414	1,935	0.3%
	0.50 to <0.75	0.6%	0.6%	353,928	379,974	1,678	0.5%
	0.75 to <2.50	1.4%	1.4%	774,377	805,266	10,285	1.4%
	2.50 to <10.00	5.0%	4.8%	402,611	414,491	16,655	4.5%
	10.00 to <100	17.2%	19.5%	272,256	273,954	49,394	19.6%
	TOTAL	**2.5%**	**2.7%**	**3,276,728**	**3,396,934**	**81,040**	**2.6%**

(1) The performance of the rating methodologies is measured by way of regular backtesting, in accordance with regulation. Backtesting compares the estimated probability of default (arithmetic average PD weighted by debtors) with the observed results (historical annual default rate).

Loss Given Default (LGD) retail customers at 31 December 2019

Exposure class	Estimated LGD *(%)*	LGD before prudential margin *(%)*
Individual Customers	16%	14%
Business Customers	20%	18%

Backtesting of probability of default (PD) per portfolio (CR9) – excl. retail customers at 31 December 2019

Exposure class	PD range	Weighted average PD	Arithmetic average PD by obligors[(1)]	Number of obligors		Defaulted obligors in the year	Average historical annual default rate
				End of previous year	End of the year		
Sovereigns	0 to <0.15	0.0%	0.0%	104	104	-	0.0%
	0.15 to <0.25	0.2%	0.2%	18	31	-	0.0%
	0.25 to <0.50	0.3%	0.3%	5	3	-	0.0%
	0.50 to <0.75	0.6%	0.6%	10	9	-	0.0%
	0.75 to <2.50	1.1%	1.2%	17	18	-	0.0%
	2.50 to <10.00	5.0%	5.0%	13	13	-	2.0%
	10.00 to <100	16.1%	14.7%	13	12	2	5.7%
	TOTAL	**0.1%**	**1.5%**	**180**	**190**	**2**	**0.6%**
Local authorities[(2)]	0 to <0.15	0.0%	0.0%	29,580	29,599	13	0.0%
	0.15 to <0.25	0.2%	0.2%	533	516	-	0.1%
	0.25 to <0.50	0.3%	0.3%	409	379	1	0.3%
	0.50 to <0.75	0.6%	0.6%	177	183	-	0.2%
	0.75 to <2.50	1.1%	1.2%	20	28	-	0.0%
	2.50 to <10.00	5.0%	5.0%	3	5	-	0.0%
	10.00 to <100	12.6%	17.7%	9	7	-	3.0%
	TOTAL	**0.1%**	**0.0%**	**30,731**	**30,717**	**14**	**0.0%**
Financial Institutions	0 to <0.15	0.0%	0.0%	2,673	2,695	-	0.0%
	0.15 to <0.25	0.2%	0.2%	793	914	-	0.0%
	0.25 to <0.50	0.3%	0.3%	760	672	-	0.0%
	0.50 to <0.75	0.6%	0.6%	582	481	-	0.0%
	0.75 to <2.50	1.0%	1.1%	264	278	1	0.1%
	2.50 to <10.00	5.0%	5.0%	72	71	-	0.0%
	10.00 to <100	12.2%	13.5%	41	54	-	0.0%
	TOTAL	**0.1%**	**0.4%**	**5,185**	**5,165**	**1**	**0.0%**
Corporates[(2)]	0 to <0.15	0.0%	0.0%	2,504	2,435	-	0.1%
	0.15 to <0.25	0.2%	0.2%	2,626	2,629	2	0.1%
	0.25 to <0.50	0.3%	0.3%	6,494	6,397	7	0.1%
	0.50 to <0.75	0.6%	0.6%	9,598	9,932	18	0.2%
	0.75 to <2.50	1.3%	1.4%	48,958	50,974	497	0.7%
	2.50 to <10.00	5.0%	5.0%	9,910	10,455	328	2.9%
	10.00 to <100	14.6%	14.8%	6,211	6,511	533	8.4%
	TOTAL	**0.9%**	**2.6%**	**86,301**	**89,333**	**1,385**	**1.5%**
Specialised financing	0 to <0.15	0.1%	0.1%	60	52	-	0.0%
	0.15 to <0.25	0.2%	0.2%	296	256	-	0.0%
	0.25 to <0.50	0.3%	0.3%	469	484	-	0.2%
	0.50 to <0.75	0.6%	0.6%	273	312	-	0.1%
	0.75 to <2.50	1.1%	1.1%	338	440	2	1.0%
	2.50 to <10.00	5.0%	5.0%	34	32	2	5.4%
	10.00 to <100	15.6%	14.5%	45	57	-	7.7%
	TOTAL	**1.0%**	**1.1%**	**1,515**	**1,633**	**4**	**0.9%**

(1) The performance of the rating methodologies is measured by way of regular backtesting, in accordance with regulation. Backtesting compares the estimated probability of default (arithmetic average PD weighted by debtors) with the observed results (historical annual default rate).

(2) PD internal models in the process of recalibration.

Loss Given Default (LGD) excl. retail customers at 31 December 2019

Exposure class	Estimated LGD *(%)*	LGD before prudential margin *(%)*
Sovereigns	45%	32%
Local authorities	F-IRB approach	F-IRB approach
Financial Institutions(1)	54%	59%
Corporates	45%	38%
Specialised financing	26%	24%

(1) LGD internal models in the process of recalibration.

3.2.2.7 Comparison between estimated and actual losses

The Expected Losses (EL)/Exposure at Default (EAD) ratio was 1.24% at 31 December 2019 (1.55% at 31 December 2018). This ratio is calculated for the Central governments and central banks, Institutions, Corporates, Retail customers and Equity portfolios under the A-IRB approach.

At the same time, the provisions to gross exposures ratio was at 1.28% at 31 December 2019, compared with 1.43% at end-2018.

3.2.3 Counterparty risk

The Group calculates counterparty risk for all its exposures, whether in the banking portfolio 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. The 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 (Art. 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 31 December 2019

31/12/2019 *(in billions of euros)*	Standard			IRB			Total			
	Gross Exposure	EAD	RWA	Gross Exposure	EAD	RWA	Gross Exposure	EAD	RWA	Capital Requirement
Central governments and central banks	2.5	2.5	0.0	5.5	5.5	0.1	8.0	8.0	0.1	0.0
Institutions	17.0	14.8	1.0	21.4	22.0	4.2	38.5	36.8	5.3	0.4
Corporates	4.3	3.2	3.0	25.3	24.8	8.6	29.6	27.9	11.6	0.9
Retail Customers	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Other non credit-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**23.8**	**20.4**	**4.0**	**52.2**	**52.2**	**13.0**	**76.0**	**72.6**	**17.0**	**1.4**

Exposure to counterparty risk by approach at 31 December 2018

31/12/2018 *(in billions of euros)*	Standard			IRB			Total			
	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-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**20.3**	**19.2**	**3.4**	**51.0**	**50.7**	**11.2**	**71.2**	**69.9**	**14.6**	**1.2**

The total gross exposure to counterparty risk was €76.0 billion at 31 December 2019 (in the form of derivatives: €54.5 billion and in the form of securities financing transactions: €21.6 billion).

Information on exposure to transactions on forward financial instruments is also provided in Note 3.1 “Credit risk” to the consolidated financial statements.

3.2.3.2 Exposure to counterparty risk by approach

Analysis of exposure to counterparty risk by approach (CCR1)

	31/12/2019 *(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			6,310	3,040
2	Original exposure	-					-	-
3	Standardised approach	-	-			-	-	-
4	IMM (for derivatives and SFTs)	-			21,508	1.55	33,337	8,930
5	Of which securities financing transactions	-			-	-	-	-
6	Of which derivatives and long settlement transactions	-			21,508	1.55	33,337	8,930
7	Of which from contractual cross- product netting	-			-	-	-	-
8	Financial collateral simple method (for SFTs)	-					-	-
9	Financial collateral comprehensive method (for SFTs)	-					18,272	3,342
10	VaR for SFTs	-					-	-
11	**TOTAL 31/12/2019**	**-**						**15,312**
	TOTAL 31/12/2018							13,036

3.2.3.3 Exposure to counterparty risk under the standardised approach

Exposure to counterparty risk under the standardised approach by regulatory portfolio and by risk weighting at 31 December 2019 (CCR3)

31/12/2019	Risk weight													
Exposure classes *(in millions of euros)*	0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other	Total Exposure to credit risk	o/w unrated
Central governments or central banks	2,450	-	-	-	-	-	4	-	-	3	-	-	2,457	2,457
Regional governments or local authorities	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Public sector entities	10	-	-	-	6	-	3	-	-	-	-	-	19	10
Multilateral developments banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-
International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Banks (Institutions)	-	12,279	-	-	1,510	-	951	-	-	18	3	-	14,761	12,961
Corporate	-	-	-	-	10	-	377	-	-	2,729	31	-	3,147	2,402
Retail	-	-	-	-	-	-	-	-	15	-	-	-	15	15
Default	-	-	-	-	-	-	-	-	-	-	3	-	3	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	1	-	-	1	1
TOTAL	**2,459**	**12,279**	**-**	**-**	**1,526**	**-**	**1,335**	**-**	**15**	**2,751**	**38**	**-**	**20,403**	**17,845**

Exposure to counterparty risk under the standardised approach by regulatory portfolio and by risk weighting at 31 December 2018 (CCR3)

31/12/2018 Exposure classes *(in millions of euros)*	Risk weight 0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	Other	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) scale, supervisory portfolios for foundation internal ratings-based approach at 31 December 2019 (CCR4)

31/12/2019 *(in millions of euros)*	PD scale	EAD post-CRM	Average PD	Average LGD	Average maturity	RWA	RWA density
Institutions	0.00 to <0.15	476	0.03%	42.14%	-	98	20.60%
	0.15 to <0.25	49	0.16%	37.84%	-	21	43.75%
	0.25 to <0.50	1	0.30%	45.00%	-	-	57.64%
	0.50 to <0.75	18	0.60%	44.84%	-	19	104.03%
	0.75 to <2.50	-	1.25%	41.38%	-	-	105.64%
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	20.00%	26.91%	-	-	286.68%
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**544**	**0.07%**	**41.84%**	**-**	**139**	**25.57%**
Corporates – Other	0.00 to <0.15	20	0.04%	44.83%	-	3	15.90%
	0.15 to <0.25	13	0.16%	44.57%	-	6	44.33%
	0.25 to <0.50	87	0.30%	44.44%	-	53	61.00%
	0.50 to <0.75	68	0.60%	44.37%	-	58	85.98%
	0.75 to <2.50	47	1.17%	43.90%	-	52	110.80%
	2.50 to <10.00	7	5.00%	43.60%	-	12	174.23%
	10.00 to <100.00	4	16.40%	44.03%	-	11	258.97%
	100.00 (Default)	-	100.00%	44.87%	-	-	-
	Sub-total	**246**	**1.11%**	**44.33%**	**-**	**195**	**79.31%**
TOTAL		**881**	**0.79%**	**42.70%**	**-**	**422**	**47.95%**

Counterparty risk exposures by portfolio and probability of default (PD) scale, supervisory portfolios for foundation 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
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) scale, supervisory portfolios for advanced internal ratings-based approach at 31 December 2019 (CCR4)

31/12/2019 *(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	5,053	0.01%	1.33%	1,121	14	0.28%
	0.15 to <0.25	255	0.16%	9.91%	829	20	7.95%
	0.25 to <0.50	46	0.30%	10.00%	651	4	9.62%
	0.50 to <0.75	80	0.60%	10.00%	602	14	17.36%
	0.75 to <2.50	49	1.34%	46.91%	1,002	57	117.28%
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	6	20.00%	67.81%	1,543	16	255.15%
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**5,489**	**0.06%**	**2.40%**	**1,096**	**126**	**2.29%**
Institutions	0.00 to <0.15	16,379	0.04%	15.57%	617	1,492	9.11%
	0.15 to <0.25	2,142	0.16%	36.14%	769	823	38.44%
	0.25 to <0.50	1,530	0.30%	38.28%	551	778	50.87%
	0.50 to <0.75	626	0.60%	47.05%	506	587	93.77%
	0.75 to <2.50	780	0.84%	23.93%	979	306	39.28%
	2.50 to <10.00	38	5.00%	82.81%	297	95	252.36%
	10.00 to <100.00	6	17.65%	50.14%	538	13	207.60%
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**21,500**	**0.12%**	**20.51%**	**633**	**4,095**	**19.05%**
Corporates – Other	0.00 to <0.15	10,647	0.04%	34.31%	744	1,327	12.47%
	0.15 to <0.25	2,256	0.16%	43.04%	831	1,016	45.02%
	0.25 to <0.50	2,673	0.30%	45.93%	870	1,101	41.18%
	0.50 to <0.75	2,501	0.60%	46.30%	823	1,443	57.68%
	0.75 to <2.50	2,143	0.99%	45.88%	880	1,694	79.03%
	2.50 to <10.00	63	5.00%	52.77%	1,082	87	137.95%
	10.00 to <100.00	865	19.71%	29.82%	377	964	111.46%
	100.00 (Default)	69	100.00%	45.39%	899	26	37.63%
	Sub-total	**21,217**	**1.39%**	**39.16%**	**778**	**7,657**	**36.09%**
Corporates – SME	0.00 to <0.15	55	0.03%	47.46%	460	11	19.60%
	0.15 to <0.25	3	0.16%	49.98%	1,338	1	41.66%
	0.25 to <0.50	-	0.30%	49.86%	622	-	54.48%
	0.50 to <0.75	3	0.60%	51.08%	432	2	76.00%
	0.75 to <2.50	28	1.62%	31.97%	896	35	124.67%
	2.50 to <10.00	3	5.00%	44.42%	693	5	167.58%
	10.00 to <100.00	3	13.78%	25.35%	511	7	248.32%
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**95**	**1.09%**	**42.38%**	**627**	**61**	**64.33%**
Corporates – Specialised lending	0.00 to <0.15	665	0.06%	11.80%	1,225	42	6.27%
	0.15 to <0.25	933	0.16%	10.23%	1,312	150	16.06%
	0.25 to <0.50	620	0.30%	11.11%	1,268	98	15.84%
	0.50 to <0.75	481	0.60%	12.01%	1,171	95	19.76%
	0.75 to <2.50	427	0.95%	12.73%	1,247	147	34.45%
	2.50 to <10.00	16	5.00%	14.22%	1,241	5	28.67%
	10.00 to <100.00	98	14.73%	14.39%	1,045	86	87.30%
	100.00 (Default)	22	100.00%	40.58%	1,068	11	47.78%
	Sub-total	**3,263**	**1.50%**	**11.66%**	**1,246**	**633**	**19.40%**
TOTAL		**51,568**	**0.73%**	**25.72%**	**-**	**12,575**	**24.39%**

Counterparty risk exposures by portfolio and probability of default (PD) scale, supervisory portfolios for advanced internal ratings-based approach at 31 December 2017 (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 Collateral

Impact of netting and collateral on exposure values (CCR5-A)

31/12/2019 *(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 *(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 collateral for exposures to counterparty risk (CCR5-B)

31/12/2019 *(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 collateral received	Fair value of posted collateral
			Segregated	Unsegregated		
1	Cash	7,912	-	111	977	1
2	Corporate bonds, Sovereign debt, Government agency debt	2,114	-	-	1,528	-
3	Equity securities	-	-	-	-	-
4	Other collateral	-	-	-	-	-
	TOTAL	**10,026**	-	**111**	**2,505**	**1**

31/12/2018 *(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 collateral received	Fair value of posted collateral
			Segregated	Unsegregated		
1	Cash	5,762	1	-	484	-
2	Corporate bonds, Sovereign debt, Government agency debt	2,144	-	-	147	-
3	Equity securities	-	-	-	-	-
4	Other collateral	-	-	-	-	-
	TOTAL	**7,906**	**1**	**-**	**631**	**-**

3.2.3.6 Change in RWA under the internal model method (IMM) between 31 December 2018 and 31 December 2019

Risk-weighted assets (RWA) flow statement of counterparty risk exposures under the internal model method (IMM) (CCR7)

31/12/2019 *(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	837	67
3	Credit quality of counterparties	(125)	(10)
4	Model updates (IMM only)	-	-
5	Methodology and policy (IMM only)	-	-
6	Acquisitions and disposals	-	-
7	Foreign exchange movements	123	10
8	Other	(213)	(17)
9	**RWAs as at the end of the reporting period (31/12/2019)**	**8,930**	**714**

3.2.3.7 Central Counterparty (CCP) exposures

Central Counterparty (CCP) Exposures (CCR8)

		31/12/2019		31/12/2018	
(in millions of euros)		EAD post CRM	RWAs	EAD post CRM	RWAs
1	**Exposures to QCCPs (total)**		**652**		**515**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	12,281	246	8,891	221
3	(i) OTC derivatives	9,004	181	6,758	136
4	(ii) Exchange-traded derivatives	147	3	51	43
5	(iii) SFTs	3,129	63	2,082	42
6	(iv) Netting sets where cross-product netting has been approved	-		-	
7	Segregated initial margin	3,166		3,553	
8	Non-segregated initial margin	151	3	129	3
9	Prefunded default fund contributions	744	403	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

The CRD 4 prudential framework introduced a new capital charge to cover volatility in the CVA (Credit Valuation Adjustment) or valuation adjustment for assets grouped together under the term "CVA Risk", which is intended to include in the valuation of OTC derivatives credit events affecting our counterparties. The CVA is thus defined as the difference between the valuation excluding risk of default and the valuation including the probability of default of our counterparties.

Under the directive, institutions use a regulatory formula ("standardised approach") or are authorised to calculate their capital requirements using their internal models for both counterparty risk and specific rate risk using the advanced approach ("CVA VaR").

The CVA requirement under the advanced approach is calculated on the basis of expected positive exposure on OTC derivative transactions involving "Financial institution" counterparties excluding intragroup transactions. Within this scope, the mechanisms used to estimate capital requirements are the same as for market VaR in respect of specific interest rate risk.

Credit valuation adjustment (CVA) capital requirement (CCR2)

		31/12/2019		31/12/2018	
	(in millions of euros)	EAD post-CRM	RWA	EAD post-CRM	RWA
1	**Total portfolios subject to the Advanced CVA capital charge**	**16,465**	**2,681**	**15,660**	**2,486**
2	(i) VaR component (including the 3×multiplier)	-	20	-	22
3	(ii) Stressed VaR component (including the 3×multiplier)	-	194	-	177
4	**All portfolios subject to the Standardised CVA capital charge**	**16,232**	**1,360**	**17,445**	**1,524**
EU4	Based on the original exposure method	-	-	-	-
5	**Total subject to the CVA capital charge**	**32,697**	**4,041**	**33,104**	**4,009**

3.2.4 Credit and counterparty risk mitigation techniques

Exposures under the advanced approach (RC3)

	31/12/2019 *(in millions of euros)*	Exposures unsecured – Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	545,492	591,846	304,514	271,000	16,332
2	Total debt securities	141,747	-	-	-	-
3	**Total exposures**	**687,240**	**591,846**	**304,514**	**271,000**	**16,332**

	31/12/2018 *(in millions of euros)*	Exposures unsecured – Carrying amount	Exposures to be secured	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	497,741	549,203	291,817	245,384	12,002
2	Total debt securities	134,575				
3	**Total exposures**	**632,316**	**549,203**	**291,817**	**245,384**	**12,002**

3.2.4.1 Credit risk mitigation techniques

Collateral management system for collateral received

The main categories of collateral taken into account by the bank are described in the section entitled "Risk management – Credit risk – Collateral and guarantees received".

When a credit is granted, collateral is analysed to assess the value of the asset, its liquidity, volatility and the correlation between the value of the collateral and the quality of the counterparty financed. Regardless of collateral quality, the first criterion in the lending decision is always the borrower's ability to repay sums due from cash flow generated by its operating activities, except for specific trade finance transactions.

For financial guarantees, a minimum exposure coverage ratio is usually included in loan contracts, with readjustment clauses. Financial guarantees are revalued according to the frequency of margin calls and the variability of the underlying value of financial assets transferred as guarantee or quarterly, as a minimum.

The minimum coverage ratio (or the haircut applied to the value of the guarantee under Basel 3 treatment) is determined by measuring the pseudo-maximum deviation of the value of the securities at the revaluation date. This measurement is calculated with a 99% confidence interval over a time horizon covering the period between each revaluation, the period between the default date and the date on which asset disposal starts, and the duration of the liquidation period. This haircut also applies for currency mismatch risk when the securities and the collateralised exposure are denominated in different currencies. Additional haircuts are applied when the size of the stocks position implies a block sale or when the borrower and the issuer of the collateral securities belong to the same risk group.

For retail banking (LCL, Cariparma), revaluation is automatic based on changes in the property market indices. In contrast, for project-type property financing, assets are mainly revalued on the basis of an expert appraisal combining various approaches (asset value, rental value, etc.) and include external benchmarks.

Other types of assets may be pledged as collateral. This is notably the case for certain activities such as aircraft, shipping, real estate or commodities financing. These businesses are conducted by middle offices, which have specific expertise in valuing the assets financed.

Protection providers

Two major types of guarantee are mainly used (other than intragroup guarantees): export credit insurance taken out by the Bank and unconditional payment guarantees.

The main guarantee providers (excluding credit derivatives – see section below) are export credit agencies, which enjoy a good quality sovereign rating. The main guarantee providers (excluding credit derivatives) are export credit agencies, most of which enjoy a sovereign rating and are rated "Investment grade". The largest agencies are BPI (France), Sace SPA (Italy), Euler Hermès (Germany) and Korea Export Insur (Korea).

The use of risk reduction techniques by Crédit Agricole, to cover some of its commitments to third parties

The Crédit Agricole Group may also use risk mitigation techniques to cover some of its transactions vis-à-vis third parties, in particular refinancing transactions. The latter may contain an additional collateralisation clause in the event of a downgrading of the credit quality of Crédit Agricole S.A. By way of example, at end-2019, in the event of a one-notch credit quality downgrade, the Group would have had to provide the counterparties of the refinancing transactions with additional collateral totalling €498 million.

External ratings given to the export credit agencies

	Moody's	Standard & Poor's	Fitch Ratings
31/12/2019 *(in millions of euros)*	Long term rating (outlook)	Long term rating (outlook)	Long term rating (outlook)
BPI France Financement	Aa2 [positive]	Unrated	AA [stable]
Euler Hermès S.A.	Aa3 [stable]	AA [stable]	Unrated
Sace S.p.A.	Unrated	Unrated	BBB+ [negative]

Moreover, the guarantees received from mutual guarantee companies cover a substantial portion of the loans in the Group's "residential real estate" portfolio in France (see table below). These loans are backed by guarantees granted by Crédit Logement (rated Aa3 [stable] by Moody's) or by the Group's subsidiary insurance company, CAMCA Assurance S.A. (rated A+[positive] stable outlook by Fitch). The guarantors are subject to prudential regulation applying to either financing companies (and therefore comparable to CRR) for Crédit Logement, or insurance companies (Solvency 2), for CAMCA Assurance.

Mortgage loan amounts guaranteed by CAMCA and Crédit Logement

	Outstandings 31/12/2019		Outstandings 31/12/2018	
(in millions of euros)	Amount of guaranteed outstandings	% of guaranteed loans in the "residential mortgage loans" portfolio in France	Amount of guaranteed outstandings	% of guaranteed loans in the "residential mortgage loans" portfolio in France
Coverage by surety agencies (Crédit Logement, CAMCA)	217,753	57.40%	198,186	57.00%

When a guarantee is issued, the guarantor applies an independent selection policy in addition to that already implemented by the bank. Where Crédit Logement is concerned, the guarantee issued covers, with no deductible, the payment of all amounts legally due by defaulting borrowers in principal, interest, insurance premiums and costs. In respect of CAMCA Assurance, the guarantee mechanism is broadly similar to that of Crédit Logement, with the difference that the payments made by CAMCA Assurance with respect to the guarantee arise once the bank's means of recourse against the borrower have been exhausted. In the end, these protection mechanisms significantly enhance the quality of the mortgage loans guaranteed and constitute a full transfer of risk in respect of the loans. In both cases, the French regulator requires the guarantors to carry out biennial EBA/ECB stress tests. Resilience to these stress tests ensures that the bank can maintain a low LGD.

3.2.4.2 Risk mitigation techniques applied to counterparty risk

Credit derivatives for hedging purposes

These techniques are presented in the "Risk management" chapter, part 2.4.II.4 "Credit risk – Credit risk mitigation mechanisms – Use of credit derivatives" of Amendment A01 of the 2019 Universal registration document of the Crédit Agricole Group.

Credit derivatives exposures (CCR6)

31/12/2019 *(in millions of euros)*	Credit derivative hedges		
	Protection bought	Protection sold	Other credit derivatives
Notionals	-	-	-
Single-name credit default swaps	6,430	-	-
Index credit default swaps	-	-	-
Total return swaps	-	-	-
Credit options	-	-	-
Other credit derivatives	-	-	-
TOTAL NOTIONALS	**6,430**	**-**	**-**
Fair values	-	-	-
Positive fair value (asset)	0	-	-
Negative fair value (liability)	(244)	-	-

3.2.5 Securitisation transactions

The credit risk on securitisation transactions is presented in the "Securitisation" chapter below.

3.2.6 Equity exposures in the banking portfolio

The Group's equity exposures, excluding the trading book, consist of securities "that convey residual, subordinated claims on the assets or income of the issuer or have a similar economic substance". These mainly include:

- listed and unlisted equities and shares in investment funds;
- options implicit in convertible, redeemable or exchangeable bonds;
- stock options;
- deeply subordinated notes.

The accounting policies and valuation methods used are described in Note 1.2 to the financial statements, "Accounting policies and principles".

Gross exposures and exposures at default under the internal ratings-based approach at 31 December 2019 (CR10)

31/12/2019 Categories *(in millions of euros)*	On-balance sheet amount	Off-balance sheet amount	Risk weight	Exposure amount	RWAs	Capital requirements
Exchange-traded equity exposures	1,404	77	190%	1,481	2,814	225
Private equity exposures	2,067	-	290%	2,067	5,994	480
Other equity exposures	17,201	-	370%	17,021	62,978	5,038
TOTAL	**20,671**	**77**		**20,569**	**71,786**	**5,743**

Gross exposures and exposures at default under the internal ratings-based approach at 31 December 2018 (CR10)

31/12/2018 Categories *(in millions 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**

Equity exposures under the internal ratings based approach mainly consist of the portfolios of Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Investissement et Finance.

Equity exposures (on and off-balance sheet) under the internal ratings-based approach amounted to €20.7 billion at 31 December 2019 (compared with €18.2 billion at 31 December 2018).

Furthermore, equity exposures using the standardised approach amounted to €1.2 billion at 31 December 2019 for an RWA amount of €1.4 billion.

The cumulative amount of capital gains or losses arising from sales and liquidations during the period under review is shown in Note 4 to the financial statements, "Notes to the income statement".

3.3 Securitisation

3.3.1 Definitions of securitisation transactions

Crédit Agricole CIB Group acts as originator, sponsor and investor in securitisation transactions within the meaning of the Basel 3 framework.

Securitisation transactions, listed below, consist of transactions defined in directive 2013/36/EU ("CRD 4") and EU Regulation 575/2013 of 26 June 2013 ("CRR") in force since 1 January 2014. The directive and regulations incorporate into European law the Basel 3 international reform (issued in December 2010) introducing, among other things, new requirements for bank solvency and oversight of liquidity risk. These texts are supplemented by Regulations (EU) 2017/2401 and 2017/2402 of the European Parliament and the Council of 12 December 2017. Regulation 2017/2402 revises the general framework of securitisation and creates a specific framework for simple, transparent, and standardised securitisations, and Regulation 2017/2401 amends the calculation formulas applicable for securitisations with regard to the solvency ratio.

This includes transactions under which the credit risk associated with an exposure or set of exposures is sub-divided into tranches, which have the following two characteristics:

- payments made in such transaction or scheme depend on the performance of the underlying exposure or basket of exposures;
- the subordination of tranches determines how losses are distributed during the lifetime of the transaction or scheme.

Securitisation transactions include:

- traditional securitisations: a securitisation involving the transfer of the economic interest in the securitised exposures by transferring ownership of those exposures from the originator to a securitisation entity or by a sub-participation of a securitisation entity, in which the securities issued do not represent payment obligations for the originator;
- synthetic securitisations: the risk is transferred, whereby the transfer of risks takes place through the use of credit derivatives or guarantees and in which the securitised exposures remain exposures for the originator.

The securitisation exposures of Crédit Agricole CIB detailed below cover all securitisation exposures (recorded on or off-balance sheet) that generate risk-weighted assets (RWA) and capital requirements with respect to its regulatory portfolio, according to the following typologies:

- the securitisation exposures for which the Group is deemed an originator;
- exposures in which the Group is an investor;
- exposures in which the Group is a sponsor;
- securitisation swap exposures (exchange or interest rate hedges) allocated to securitisation vehicles.

Note that most securitisation transactions on behalf of European customers involve Ester Finance Titrisation, a wholly owned banking subsidiary of Crédit Agricole CIB, which finances the purchase of receivables and therefore makes Crédit Agricole CIB both sponsor and, *via* Ester Finance Titrisation, originator of these securitisation transactions.

The proprietary securitisation transactions carried out as part of non-derecognised collateralised financing transactions, are not described below. Their impact on the consolidated financial statements is detailed in Note 6.7 to the financial statements, "Transferred assets not derecognised or derecognised with on-going involvement".

3.3.2 Purpose and strategy

3.3.2.1 Proprietary securitisation transactions

The Group's proprietary securitisation transactions are the following:

Collateralised financing transactions

These transactions are designed for the issue of securities and, where appropriate, can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing. This activity relates to several of the Group entities, mainly CA Consumer Finance and its subsidiaries. Note that the Crédit Agricole Regional Banks carried out residential mortgage-backed securitisation ("RMBS") transactions in 2015, 2017, 2018 and 2019.

Crédit Agricole CIB's transfer of risks by means of proprietary securitisation transactions are the following

- Active management of the financing portfolio: in addition to using credit derivatives (see the "Risks and Pillar 3 – Use of credit derivatives" chapter), this activity consists of using synthetic securitisation to manage the credit risk of the bank, optimise capital allocation, reduce the concentration of outstanding loans to corporates, release resources to contribute to the renewal of the banking portfolio (as part of the Distribute to Originate model) and maximise the return on capital. This activity is managed by the Private Debt Solutions team, which reports both to the Execution Management department within the Finance Department and to the Debt Optimisation and Distribution department at Crédit Agricole CIB. The approach used to calculate the risk-weighted exposures on proprietary securitisation positions is the regulatory formula approach. In this business, the Bank does not systematically purchase protection on all tranches, as the management goal is to cover some of the more risky financing portfolio tranches whilst keeping part of the overall risk.
- New securitisations carried out by Crédit Agricole CIB in 2019: as part of the management of the financing portfolio, the Execution Management teams set up two synthetic securitisation transactions with private investors. The first transaction, with a maturity of five years, pertains to a €2.5 billion portfolio of Crédit Agricole CIB corporate loans. The second, with a maturity of nine years, pertains to a €450 million portfolio of leveraged buy-out (LBO) loans of the bank. This transaction is the first synthetic securitisation carried out on this asset class, and opens up new distribution opportunities for these loans. These two transactions are secured by a cash collateral equal to the amount of risk guaranteed.

Transactions carried out by FCA Bank and ca Consumer Finance Nederland in 2019

FCA Bank and CA Consumer Finance Nederland often use securitisation transactions to help fund themselves These transactions fall within the framework of the "collateralised financing transactions" referred to above.

In November 2019, as part of its ABEST car loan securitisation programme, FCA Bank carried out the ABEST 17 transaction (traditional securitisation) for €900 million, in which FCA Bank assigned a total of 95% of tranches (including the mezzanine and junior) to third-party investors. This risk transfer transaction enabled FCA Bank to reduce the capital initially allocated to the loan portfolio that was securitised. FCA Bank had already carried out one such transaction in December 2017.

In December 2019, as part of its consumer loan securitisation programme, CA Consumer Finance Nederland carried out the MAGOI transaction (traditional securitisation) for €400 million, in which CA Consumer Finance Bank assigned 95% of the mezzanine and junior tranches to third-party investors. This risk transfer transaction enabled CA Consumer Finance Nederland to reduce the capital initially allocated to the loan portfolio that was securitised.

Transactions carried out by EFL in 2019

In December 2019, Europejski Fundusz Leasingowy (EFL), a leasing subsidiary of the Group in Poland, carried out a synthetic securitisation transaction with the European Investment Bank and the European Investment Fund.

The EIB and the EIF provided a guarantee to EFL, covering all mezzanine and senior tranches of a 2.1 billion Zloty (approx. €489 million) portfolio of leasing transactions to Polish SMEs. The 314 million Zloty mezzanine tranche is supported by the Juncker Plan under the mandate given to the EIB by the European Commission. EFL has committed to redeploy 33% of the new financing capacity, corresponding to this mezzanine guarantee, to promote female entrepreneurship in Poland. This is the first transaction of this type carried out by EFL.

3.3.2.2 Securitisation transactions carried out on behalf of customers as arranger, sponsor, intermediary or originator

Within the Group, only Crédit Agricole CIB carries out securitisation transactions on behalf of its customers.

Securitisation transactions on behalf of customers within Global Markets activities allow Crédit Agricole CIB to raise funds or manage a risk exposure on behalf of its customers. When carrying out these activities, Crédit Agricole CIB can act as an originator, sponsor, arranger or investor:

- as a sponsor and arranger, Crédit Agricole CIB structures and manages securitisation programmes that refinance assets of the bank's customers, mainly *via* ABCP (Asset Backed Commercial Paper) programmes, namely LMA in Europe, Atlantic and La Fayette in the United States and ITU in Brazil. These specific entities are protected from Crédit Agricole CIB bankruptcy risk but are consolidated for accounting purposes at Group level since the entry into force on 1 January 2014 of the IFRS 10 rules. The liquidity facilities protect investors from credit risk and guarantee the liquidity of the programmes;
- as an investor, the Group invests directly in certain securitisation exposures and is a liquidity provider or counterparty of derivative exposures (exchange or interest rate swaps for instance);
- as an arranger, sponsor or originator, Crédit Agricole CIB carries out securitisation transactions on behalf of its customers. At 31 December 2019, there were four active consolidated multi-seller vehicles (LMA, Atlantic, La Fayette and ITU), structured by the Group on behalf of third parties. LMA, Atlantic, La Fayette and ITU are fully ABCP supported programmes. This ABCP programme activity finances the working capital requirements of some of the Group's customers by backing short-term financing with traditional assets, such as trade receivables or financial loans. The amount of the assets held by these vehicles and financed through the issuance of marketable securities amounted to €27 billion at 31 December 2019 (€24 billion at 31 December 2018).

The default risk on the assets held by these vehicles is borne by the sellers of the underlying receivables through credit enhancement or by insurers for certain types of risk upstream of the ABCP transactions. Crédit Agricole CIB bears the risk through liquidity facilities.

Activities carried out as sponsor

The programme activity was sustained throughout 2019, and the newly securitised outstandings mainly relate to trade receivables and financial loans.

For part of this programme activity, Crédit Agricole CIB acts as the originator insofar as the structures involve the entity Ester Finance Titrisation, which is a consolidated Group entity.

The amount committed to liquidity facilities granted to LMA, Atlantic, La Fayette and ITU as sponsors was €37 billion at 31 December 2019 (€32 billion at 31 December 2018).

Activities carried out as investor

As part of its sponsor activities, the Group can grant guarantees and liquidity facilities to securitisation vehicles or act as a counterparty for derivatives in *ad hoc* securitisation transactions. These are mainly exchange rate swaps provided to the ABCP programmes and interest rate swaps for some ABS issues. These activities are recorded in the banking portfolio as investor activities.

Moreover, Crédit Agricole CIB may be called upon to directly finance on its balance sheet some securitisation transactions on behalf of its customers (mainly aircraft transactions and vehicle fleet financing) or provide support through a liquidity facility to an issue by special purpose vehicles external to the bank (SPV or ABCP programme not sponsored by the bank). In this case, Crédit Agricole CIB is deemed to be an investor. Overall, this activity represented commitments of €2 billion at 31 December 2019 (€2 billion at 31 December 2018).

Intermediation transactions

Crédit Agricole CIB participates in the structuring and in the placement of securities, backed by client asset pools and to be placed with investors.

In this activity, the Crédit Agricole CIB retains a relatively low risk *via* the possible contribution of back-up lines to securitisation vehicles or *via* a share of the securities issued.

3.3.2.3 Risk monitoring and recognition

Risk monitoring

The management of risks related to securitisation transactions follows the rules established by the Group, according to which these assets are recorded in the banking portfolio (credit and counterparty risk) or in the trading book (market and counterparty risk).

The development, sizing and targeting of securitisation transactions are periodically reviewed by Portfolio Strategy Committees specific to those activities and the countries to which they relate, as well as in the course of Group Risk Management Committee meetings.

Risks on securitisation transactions are measured against the capacity of the assets transferred over to financing structures to generate sufficient flows to cover the costs, mainly financial, of these structures.

Crédit Agricole CIB's securitisation exposures are treated in accordance with the IRB securitisation framework approach. As of 01/01/2020, the grandfather clause period of the new prudential regulations governing securitisation came to an end. The new weighting approaches have come fully into force as follows:

- "SEC IRBA" regulatory formula approach: this approach is primarily based on the prudential weighting of the underlying debt portfolio and the attachment point of the tranche in question;

- Standardised “SEC-SA” approach: similar to the SEC-IRBA approach, this approach is based on the weighting of the underlying debt portfolio (but under the standardised approach) and mainly takes into account the attachment point and historical performance;
- “SEC IRBA” external ratings-based approach: this approach is based on ratings provided by public external rating agencies approved by the Committee of European Supervisors. The external agencies used are Standard & Poor’s, Moody’s, Fitch Ratings and Dominion Bond Rating Services (DBRS);
- Internal Assessment Approach (IAA): internal rating methodology approved by Crédit Agricole S.A.’s Standards and Methodology Committee for the main asset classes (particularly trade receivables and car financing).

In line with regulations, the internal assessment approaches used by Crédit Agricole CIB replicate the public methodologies of external rating agencies. The latter have two components:

- a quantitative component that in particular evaluates the enhancement of transactions having regard to historical performances as well as the possible risk of commingling generated by the transaction;
- a qualitative component that supplements the quantitative approach and that makes it possible, among other things, to evaluate the quality of structures or indeed reporting.

The internal rating methodologies apply to the securitisation of trade receivables, car loans and dealer financing.

Stress test parameters are dependent on the rating of securitisations and of the securitised underlyings. For example, for a rating equivalent to AA (on the S&P scale), the stress test parameter for default risk is around 2.25 for trade receivables transactions, usually 3 for car loan securitisation, and for the securitisation of dealer financing, the credit stress scenario is comprised of a number of items including in particular a three notch downgrade in the car manufacturer’s rating.

Note that aside from regulatory calculation purposes, internal ratings are used in the course of the origination process to evaluate the profitability of transactions.

As regards the management of internal models, an independent unit within Crédit Agricole Group is responsible for validating internal methodologies. Moreover, regular audits are conducted by the Control and Audit department to ensure the internal methodologies are relevant. Backtesting and stress testing are also done regularly by the modelling teams.

These ratings cover all types of risks generated by such securitisation transactions: intrinsic risks on receivables (debtor insolvency, payment delays, dilution, offsetting of receivables) or risks on the structuring of transactions (legal risks, risks relating to the receivables collection circuit, risks relating to the quality of information supplied periodically by managers of receivables sold, other risks related to the seller, etc.).

These critically examined ratings are only a tool for making decisions pertaining to the transactions; such decisions are taken by Credit Committees at various levels.

Credit decisions relate to transactions that are reviewed at least once a year by the same Committees. Committee decisions incorporate varying limits according to the evolution of the acquired portfolio (arrears rate, loss rate, rate of sector-based or geographical concentration, rate of dilution of receivables or periodic valuation of assets by independent experts, etc.). Non-compliance with these limits may cause the structure to become stricter or place the transaction in early amortisation.

These credit decisions also include, in liaison with the Bank’s other credit Committees, an assessment focusing on the risk generated by the sellers of the receivables and the possibility of substituting the manager by a new one in the event of a failure in the management of those receivables.

Like all credit decisions, these decisions include aspects of compliance and “country risk”.

At 31 December 2019, Ester Finance Titrisation recognised impaired loans (Bucket 3) for €322.5 million and an impairment of €20.9 million. Net of impairment, this entity had €17.04 billion in securitised assets.

The liquidity risk associated with securitisation activities is monitored by the business lines in charge, but also centrally by the Market Risk and Asset and the Steering department of Crédit Agricole CIB. The impact of these activities is incorporated into the Internal Liquidity Model indicators, mainly stress scenarios, liquidity ratios and liquidity gaps. The management of liquidity risk at Crédit Agricole CIB is described in more detail in the “Liquidity and financing risk” paragraph of the Risk factors and risk management sections in this chapter.

The management of foreign exchange risk with respect to securitisation transactions does not differ from that of the Group’s other assets. As regards interest rate risk management, securitised assets are refinanced through special purpose vehicles according to interest rate matching rules similar to those applying to other assets.

For assets managed in run-off mode, each disposal of position is first approved by the Market Risk department of Crédit Agricole CIB.

Accounting policies

Investments made in securitisation instruments (cash or synthetic) are recognised according to their classification and the associated valuation method (see Note 1.2 to the consolidated financial statements on accounting policies and principles for financial asset classification and valuation methods).

The securitisation exposures can be classified in the following accounting categories:

- “Financial assets at amortised cost”: these securitisation exposures are measured following initial recognition at amortised cost based on the effective interest rate and may, if necessary, be impaired;
- “Financial assets at fair value through recyclable equity”: these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised in other comprehensive income;
- “Financial assets at fair value through profit or loss”: these securitisation exposures are remeasured at fair value on the closing date and any changes in fair value are recognised through profit or loss under “Net gains (losses) on financial instruments at fair value through profit or loss”.

Gains (losses) on the disposal of these securitisation exposures are recognised in accordance with the rules of the original category of the exposures sold.

As part of securitisation transactions, a derecognition test is carried out pursuant to IFRS 9 (the criteria can be found in Note 1.3 to the consolidated financial statements on accounting policies and principles).

In the case of synthetic securitisations, the assets are not derecognised in that they remain under the control of the institution. The assets are still recognised according to their classification and original valuation method (see Note 1.3 to the consolidated financial statements on accounting policies and principles for financial asset classification and valuation methods).

3.3.3 Summary of activities in 2019

Crédit Agricole CIB's Securitisation activities in 2019 was characterised by:

- support of the development of the public ABS market in the United States and in Europe. Crédit Agricole CIB structured and organised the placement (arranger and bookrunner) of a significant number of primary ABS issues on behalf of its major "Financial institution" customers, in particular in the automotive industry and in consumer finance;
- on the ABCP programme market, Crédit Agricole CIB maintained its ranking as one of the leaders in this segment, both in Europe and on the US market. This was achieved *via* the renewal and implementation of new securitisation transactions for trade receivables or financial loans on behalf of its mainly Corporate customers, while ensuring that the profile of risks borne by the Bank remained good. The strategy of Crédit Agricole CIB, focused on the financing of its customers, is well perceived by investors and resulted in financing conditions that are always competitive.

At 31 December 2019, Crédit Agricole CIB had no early-redemption securitisation transactions. Moreover, Crédit Agricole CIB did not provide any implicit support to securitisation transactions in 2019.

Apart from Crédit Agricole CIB, the Group continued to carry out securitisation transactions to help refinance itself and entered into several new risk transfer securitisation transactions: ABEST 17 (FCA Bank) and MAGOI (CA Consumer Finance Nederland) in the form of traditional securitisations as well as a synthetic securitisation with the BEI/FEI group (EFL).

3.3.4 Exposures

3.3.4.1 Exposure at default to securitisation transaction risks in the banking portfolio that generate risk-weighted assets

Securitisation exposures in the banking portfolio IRB and STD (SEC1)

31/12/2019 *(in millions of euros)*		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Securitisation**	**13,907**	**6,335**	**20,242**	**17,732**	**-**	**17,732**	**3,058**	**-**	**2,952**
2	Residential real estate loans	-	-	-	24	-	24	26	-	26
3	Commercial real estate loans	-	-	-	5	-	5	-	-	-
4	Credit card loans	-	-	-	-	-	-	-	-	-
5	Leasing	-	-	-	2,768	-	2,768	9	-	9
6	Loans to corporates and SMEs	-	5,007	5,007	-	-	-	460	-	460
7	Personal loans	0	-	0	3,183	-	3,183	53	-	53
8	Trade receivables	13,907	-	13,907	7,164	-	7,164	231	-	231
9	Other	0	1,328	1,328	4,587	-	4,587	2,172	-	2,172
10	**Re-securitisation**	**1,329**	**7**	**1,336**	**-**	**-**	**-**	**-**	**-**	**-**
11	**TOTAL 31/12/2019**	**15,237**	**6,342**	**21,578**	**17,732**	**-**	**17,732**	**2,952**	**-**	**2,952**
	TOTAL 31/12/2018	15,947	7,513	23,460	21,066	-	21,066	1,242	-	1,250

Exposure at default of securitisation transactions by weighting IRB and STD

31/12/2019 Underlying *(in millions of euros)*		EAD Securities				
		SFA	IAA	RBA	Standard	Total
1	**Securitisation**	**7,691**	**28,082**	**2,693**	**2,460**	**40,926**
2	Residential real estate loans	-	-	51	-	51
3	Commercial real estate loans	-	-	5	-	5
4	Credit card loans	-	-	-	-	-
5	Leasing	-	2,198	490	89	2,777
6	Loans to corporates and SMEs	5,007	-	460	-	5,467
7	Personal loans	-	2,695	526	15	3,236
8	Trade receivables	130	21,132	-	40	21,302
9	Other	2,555	2,057	1,160	2,316	8,088
10	**Re-securitisation**	**-**	**-**	**1,336**	**-**	**1,336**
11	**TOTAL 31/12/2019**	**7,691**	**28,082**	**4,029**	**2,460**	**42,262**
	TOTAL 31/12/2018	9,355	29,567	4,377	2,469	45,768

Exposure at default of securitisation transactions broken down by on-balance sheet accounting classification

Underlying Asset *(in millions of euros)*		Exposure values on 31/12/2019 On Balance Sheet	Off Balance Sheet	Total
1	**Securitisation**	**2,404**	**38,522**	**40,926**
2	Residential real estate loans		51	51
3	Commercial real estate loans		5	5
4	Credit card loans			
5	Leasing	89	2,688	2,777
6	Loans to corporates and SMEs		5,467	5,467
7	Personal loans		3,237	3,237
8	Trade receivables	70	21,232	21,302
9	Other	2,245	5,842	8,087
10	**Re-securitisation**	**1,329**	**7**	**1,336**
11	**TOTAL 31/12/2019**	**3,733**	**38,529**	**42,262**
	TOTAL 31/12/2018	3,441	42,326	45,768

Securitisation exposures in the banking portfolio and related regulatory capital requirements – Bank acting as issuer or agent IRB and STD (SEC3)

		Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
31/12/2019 *(in millions of euros)*		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%
1	**Total exposures**	**37,202**	**397**	**327**	**10**	**1,374**	**29,841**	**7,607**	**488**	**1,374**	**3,351**	**722**	**316**	**529**	**268**	**58**	**25**	**42**
2	**Traditional securitisation**	**30,909**	**397**	**327**	**5**	**1,330**	**29,841**	**1,309**	**488**	**1,330**	**3,351**	**134**	**316**	**313**	**268**	**11**	**25**	**25**
3	Of which securitisation	30,909	397	327	5	1	29,841	1,309	488	1	3,351	134	316	3	268	11	25	-
4	Of which retail underlying	3,205	2	-	-	-	3,207	-	-	-	243	-	-	1	20	-	-	-
5	Of which wholesale	27,703	395	327	5	-	26,634	1,309	488	-	3,108	134	316	3	248	11	25	-
6	Of which re-securitisation	-	-	-	-	1,329	-	-	-	1,329	-	-	-	310	-	-	-	25
7	Of which senior	-	-	-	-	1,329	-	-	-	1,329	-	-	-	310	-	-	-	25
8	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9	**Synthetic securitisation**	**6,294**	**-**	**-**	**4**	**44**	**-**	**6,298**	**-**	**44**	**-**	**589**	**-**	**215**	**-**	**47**	**-**	**17**
10	Of which securitisation	6,294	-	-	4	37	-	6,298	-	37	-	589	-	214	-	47	-	17
11	Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Of which wholesale	6,294	-	-	4	37	-	6,298	-	37	-	589	-	214	-	47	-	17
13	Of which re-securitisation	-	-	-	-	7	-	-	-	7	-	-	-	1	-	-	-	-
14	Of which senior	-	-	-	-	7	-	-	-	7	-	-	-	1	-	-	-	-
15	Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Securitisation exposures in the banking portfolio and related regulatory capital requirements – Bank acting as investor IRB and STD (SEC4)

31/12/2019 *(in millions of euros)*	Exposure values (by RW bands)					Exposure values (by regulatory approach)				RWA (by regulatory approach)				Capital charge after cap			
	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%	IRB RBA (including IAA)	IRB SFA	SA/ SSFA	1250%
1 Total exposures	**1,761**	**200**	**991**	**125**		**934**	**47**	**1,971**		**403**	**3**	**231**		**32**		**19**	**-**
2 Traditional securitisation	**1,761**	**200**	**991**	**125**		**934**	**47**	**1,971**		**403**	**3**	**231**		**32**		**19**	**0**
3 Of which securitisation	1,761	200	991	125		934	47	1,971		403	3	231		32		19	0
4 Of which retail underlying	1	66	27			65		15		5		10				1	-
5 Of which wholesale	1,760	134	964	125		869	47	1,956	-	398	3	221		32		18	-
6 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
7 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
8 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
9 Synthetic securitisation	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
10 Of which securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
11 Of which retail underlying	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12 Of which wholesale	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Of which re-securitisation	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Of which senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Of which non-senior	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Total securitised exposures standardised

(in millions of euros)	31/12/2019	31/12/2018
Traditional securitisation	1,124	2,469
Synthetic securitisation	-	-

Aggregate securitisation exposures held or acquired (exposures at default) standardised

(in millions of euros)	31/12/2019	31/12/2018
With external credit rating	**207**	**633**
Weightings 20%	74	429
Weightings 40%	0	0
Weightings 50%	131	202
Weightings 100%	2	2
Weightings 225%	0	0
Weightings 350%	0	0
Weightings 650%	0	0
Weightings = 1250%	**118**	**3**
Transparency approach	**459**	**1,638**
Aggregate securitisation exposures held or acquired	**784**	**2,274**

3.3.5 Exposure at default of securitisation transaction risks in the trading book that generate risk-weighted assets

Exposure at default of securitisation transactions by role

Securitisation exposures in the trading book (SEC2)

31/12/2019 *(in millions of euros)*		Bank acts as originator			Bank acts as sponsor			Banks acts as investor		
		Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total	Traditional	Synthetic	Sub-total
1	**Securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**178**	**-**	**178**
2	Residential real estate loans	-	-	-	-	-	-	-	-	-
3	Commercial real estate loans	-	-	-	-	-	-	-	-	-
4	Credit card loans	-	-	-	-	-	-	-	-	-
5	Leasing	-	-	-	-	-	-	-	-	-
6	Loans to corporates and SMEs	-	-	-	-	-	-	-	-	-
7	Personal loans	-	-	-	-	-	-	-	-	-
8	Trade receivables	-	-	-	-	-	-	-	-	-
9	Other	-	-	-	-	-	-	178	-	178
10	**Re-securitisation**	**-**	**-**	**-**	**-**	**-**	**-**	**19**	**-**	**19**
11	**TOTAL 31/12/2019**	**-**	**-**	**-**	**-**	**-**	**-**	**197**	**-**	**197**
	TOTAL 31/12/2018	-	-	-	-	-	-	226	-	226

Exposure at default only concerns traditional securitisations.

Exposure at default of securitisation transactions by approach and by weighting

Risk weighting tranche *(in millions of euros)*	31/12/2019			31/12/2018		
	Long positions	Short positions	Capital requirement	Long positions	Short positions	Capital requirement
EAD subject to weighting	-	-	-	-	-	-
7-10% weightings	-	-	-	60	-	-
12-18% weightings	138	-	1	113	-	-
20-35% weightings	34	-	-	29	-	-
40-75% weightings	5	-	-	-	-	-
100% weightings	1	-	-	-	-	-
150% weightings	-	-	-	-	-	-
200% weightings	-	-	-	-	-	-
225% weightings	-	-	-	-	-	-
250% weightings	-	-	-	-	-	-
300% weightings	-	-	-	-	-	-
350% weightings	-	-	-	-	-	-
420% weightings	-	-	-	-	-	-
500% weightings	-	-	-	-	-	-
650% weightings	-	-	-	-	-	-
750% weightings	-	-	-	-	-	-
850% weightings	-	-	-	-	-	-
1250% weightings	19	-	3	24	-	4
Internal valuation approach	**197**	**-**	**5**	**226**	**-**	**5**
Supervisory Formula Approach	-	-	-	-	-	-
Transparency Approach	-	-	-	-	-	-
NET TOTAL OF DEDUCTIONS OF EQUITY	**-**	**-**	**-**	**-**	**-**	**-**
1250%/Positions deducted from capital	-	-	-	-	-	-
TOTAL TRADING BOOK	**197**	**-**	**5**	**226**	**-**	**5**

Capital requirements relating to securitisations held or acquired

	31/12/2019				31/12/2018			
(in millions of euros)	Long positions	Short positions	Total weighted positions	Capital requirement	Long positions	Short positions	Total weighted positions	Capital requirement
Weighted EAD	**197**	**-**	**21**	**5**	**226**	**-**	**26**	**5**
Securitisation	177	-	2	1	200	-	2	1
Resecuritisation	19	-	19	3	24	-	24	4
Deductions	-	-	-	-	-	-	-	-

3.4 Market risk

3.4.1 Internal model market risk measurement and management methodology

Market risk measurement and management by internal methods are described in the "Risk management – Market risk – Market risk measurement and management methodology" section.

3.4.2 Rules and procedures for valuing the trading book

The rules for valuing the various items in the trading book are described in Note 1.2 to the financial statements, "Accounting policies and principles".

Measurement models are reviewed periodically as described in the "Risk management – Market risk – Market risk measurement and management methodology" section.

3.4.3 Exposure to market risk of the trading book

3.4.3.1 Risk-weighted exposure using the standardised approach

Risk-weighted exposure using the standardised approach (MR1)

		31/12/2019		31/12/2018	
	(in millions of euros)	RWA	Capital requirement	RWA	Capital requirement
	Futures and forwards				
1	Interest rate risk (general and specific)	817	65	776	62
2	Risk on shares (general and specific)	-	-	-	-
3	Currency risk	4,163	333	3,629	290
4	Commodities risk	15	1	4	0
	Options				
5	Simplificated approach	-	-	-	-
6	Delta-plus method	-	-	6	0
7	Scenarios based approach	-	-	31	2
8	Securitisation	-	-	-	-
9	**TOTAL**	**4,996**	**400**	**4,447**	**356**

3.4.3.2 Exposures using the internal models approach

Risk-weighted assets and capital requirements

Market risk under the internal models approach (MR2-A)

		31/12/2019		31/12/2018	
(in millions of euros)		RWA	Capital requirement	RWA	Capital requirement
1	**VaR (higher of values a and b)**	**1,743**	**139**	**798**	**64**
(a)	Previous day's VaR (VaRt-1)		30	-	14
(b)	Average of the daily VaR on each of the preceding sixty business days (VaRavg) x multiplication factor (mc)		139	-	64
2	**SVaR (higher of values a and b)**	**3,337**	**267**	**3,121**	**250**
(a)	Latest SVaR (sVaRt-1)		50	-	59
(b)	Average of the SVaR during the preceding sixty business days (sVaRavg) x multiplication factor (ms)		267	-	250
3	**Incremental risk charge -IRC (higher of values a and b)**	**1,849**	**148**	**2,502**	**200**
(a)	Most recent IRC value (incremental default and migration risks section 3 calculated)		65	-	193
(b)	Average of the IRC number over the preceding 12 weeks		148	-	200
4	**Comprehensive Risk Measure – CRM (higher of values a, b and c)**	**-**	**-**	**-**	**-**
(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**	**6,930**	**554**	**6,421**	**514**

Values resulting from use of internal models

Value of the trading book using the internal models approach (IMA) (MR3)

(in millions of euros)		31/12/2019	31/12/2018
1	**VaR (10 days, 99%)**		
2	Maximum value	39	21
3	Mean value	31	16
4	Minimum value	21	12
5	End of period value	30	14
6	**VaR in stressed period (10 days, 99%)**		
7	Maximum value	75	78
8	Mean value	59	62
9	Minimum value	48	53
10	End of period value	50	59
11	**Capital requirement in line with IRC (99.9%)**		
12	Maximum value	300	236
13	Mean value	114	154
14	Minimum value	47	85
15	End of period value	50	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)	-	-

3.4.4 Backtesting of the VAR model (MR4)

The backtesting process of the VaR (Value at Risk) model to check the relevance of the model, as well as the results of this backtesting, are presented in part 5 "Risk management" of the Universal registration document.

3.5 Global interest rate risk

The nature of interest rate risk, the main underlying assumptions retained and the frequency of interest rate risk measurements are described in the "Risk factors – Asset/Liability management – Global interest rate risk" section.

3.6 Operational risk

3.6.1 Advanced measurement approach

The French Regulatory and Resolution Supervisory Authority, the ACPR, has, since 1 January 2008, authorised the main Group entities to use the Advanced Measurement Approach (AMA) to calculate their regulatory capital requirements for operational risk. The other Group entities use the standardised approach, in accordance with regulations.

The scope of application of the advanced measurement and standardised approaches and a description of the advanced measurement approach methodology are provided in the "Risk factors – Operational risk – Methodology" section.

3.6.2 Insurance techniques for reducing operational risk

The insurance techniques used to reduce operational risk are described in the "Risk management – Operational risk – Insurance and coverage of operational risks" section.

4. ENCUMBERED ASSETS

Medians of the four quarterly end-of-period values over the previous 12 months.

Template A – Encumbered and unencumbered assets

(in millions of euros)		Carrying amount of encumbered assets	of which notionally eligible EHQLA and HQLA[(1)(2)]	Fair value of encumbered assets	of which notionally eligible EHQLA and HQLA[(1)(2)]	Carrying amount of unencumbered assets	of which EHQLA and HQLA[(1)(2)]	Fair value of unencumbered assets	of which EHQLA and HQLA[(1)(2)]
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**160,469**	**12,310**			**1,447,488**	**193,105**		
030	Equity instruments	2,292	1,161			12,171	-		
040	Debt securities	7,659	11,149	7,711	10,847	155,388	85,610	145,405	88,700
050	of which: covered bonds	-	6	-	6	1,291	1,465	1,303	1,487
060	of which: asset-backed securities	-	-	-	-	1,792	27	1,782	27
070	of which: issued by general governments	5,893	10,500	5,943	10,194	71,575	60,125	75,022	62,747
080	of which: issued by financial corporations	1,112	365	1,113	368	64,127	20,563	54,352	20,969
090	of which: issued by non-financial corporations	258	284	259	285	15,043	4,922	14,326	4,984
120	Other assets	151,042	-			1,278,555	107,496		
121	of which: loans and advances other than loans on demand	125,075	-			965,249	-		

(1) Medians of the two quarterly end-of-period values over the previous six months.

(2) EHQLA: Assets of extremely high liquidity and credit qualitys.
HQLA: Assets of high liquidity and credit quality.

Template B – Collateral received

(in millions of euros)		Fair value of encumbered collateral received or own debt securities issued	of which notionally eligible EHQLA and HQLA[(1)(2)]	Unencumbered – Fair value of collateral received or own debt securities issued available for encumbrance	of which notionally eligible EHQLA and HQLA[(1)(2)]
		010	030	040	060
130	**Collateral received by the reporting institution**	**117,015**	**144,835**	**37,348**	**33,009**
140	Loans on demand	-	-	-	-
150	Equity instruments	3,602	932	7,475	551
160	Debt securities	114,529	143,903	32,195	32,458
170	of which: covered bonds	382	609	1,365	593
180	of which: asset-backed securities	-	-	978	-
190	of which: issued by general governments	101,485	133,878	18,122	21,375
200	of which: issued by financial corporations	8,603	5,109	8,929	9,144
210	of which: issued by non-financial corporations	4,564	4,282	2,798	1,940
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	**203**	**-**	**-**	**-**
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			**28,636**	**2,366**
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**277,687**	**83,511**		

(1) Medians of the two quarterly end-of-period values over the previous six months.

(2) EHQLA: Assets of extremely high liquidity and credit qualitys.
HQLA: Assets of high liquidity and credit quality.

Template C – Sources of encumbrance

(in millions of euros)		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**309,959**	**267,473**
011	of which: Derivatives	91,921	20,635
012	of which: Deposits	158,393	176,086
013	of which: Debt securities issued	59,507	69,866

Template D – Additional descriptive information

Crédit Agricole S.A. monitors and manages the encumbrance level of assets pledged in the Crédit Agricole Group.

The asset encumbrance ratio for the Crédit Agricole Group represented 17.5% at 31 December 2019.

The encumbrance for assets for the Crédit Agricole Group mainly covers loans and receivables (other than loans on demand). The pledge of receivables due from private customers aims to obtain refinancing under advantageous conditions or to constitute reserves that can easily be made liquid if needed. The policy of Crédit Agricole S.A. aims to both diversify the instruments used to improve resistance to liquidity stress, which could affect individual markets differently, and to limit the share of assets pledged in order to retain good quality assets that can be easily liquidated in the market through existing mechanisms in case of stress.

The sources of asset encumbrance mainly related to loans and receivables (other than loans on demand) are as follows:

- covered bonds referred to in Article 52(4), first sub-paragraph of Directive 2009/65/EC, issued by the following three vehicles:
  - Crédit Agricole Home Loan SFH, pledging the receivables of the Regional Banks and LCL,
  - Crédit Agricole Public Sector SCF, pledging the receivables of Crédit Agricole CIB,
  - Crédit Agricole Italia OBG Srl, pledging the receivables of the Crédit Agricole Italia Group.

  At 31 December 2019, the placed covered bonds amounted to €42.7 billion for a total of €49.0 billion in encumbered underlying assets, thus complying with the contractual and regulatory requirements as well as those of the rating agencies, where applicable, in terms of over-collateralisation.

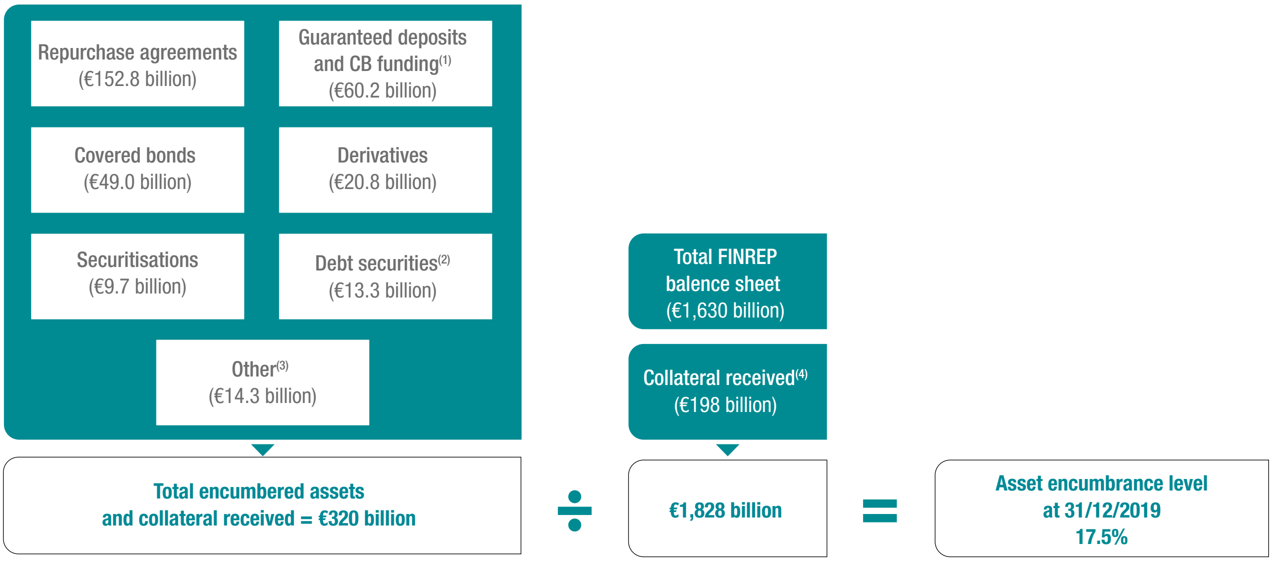
At 31 December 2019, the retained secured bonds not yet pledged as collateral amounted to €1.0 billion for a total of €1.3 billion in unencumbered underlying assets;

- asset-backed securities (ABS) issued during securitisation transactions – as defined in Article 4-(1), item 61, of Regulation (EU) No. 575/2013 – mainly carried out by the CA Consumer Finance Group and its subsidiaries, as well as by the Regional Banks and by LCL (through FCT CA Habitat in 2015, 2017, 2018 and 2019):
  - at 31 December 2019, placed asset-backed securities amounted to €9.4 billion for a total of €9.7 billion in encumbered underlying assets,
  - at 31 December 2019, asset-backed securities retained and not yet pledged as collateral amounted to €36.0 billion for a total of €38.0 billion of unencumbered underlying assets;
- guaranteed deposits (other than repurchase agreements) mainly associated with financing activities: from the ECB under TLTROs, *via* Crédit Agricole CIB's ESTER securitisation conduit, as well as French or supranational organisations (such as the CDC and the EIB):
  - at 31 December 2019, guaranteed deposits (other than repurchase agreements) amounted to €49.7 billion for a total of €60.2 billion in encumbered assets;
- debt securities (other than covered bonds or ABSs) issued to the *Caisse de Refinancement de l'Habitat* (CRH) in the form of promissory notes, pledging the collateral received from the Regional Banks and the receivables of LCL:
  - at 31 December 2019, these securities amounted to €9.2 billion for a total of €13.3 billion in encumbered assets.

As Crédit Agricole S.A. is the central actor in most of these secured financing mechanisms, these levels of encumbrance are broken down at an intragroup level between Crédit Agricole S.A., its subsidiaries and the Crédit Agricole Regional Banks.

The other main sources of asset encumbrance in the Crédit Agricole Group are:

- repurchase agreements, mainly associated with the activity of Crédit Agricole CIB and mainly encumbering the collateral received comprising debt securities and incidentally, equity instruments. In particular, this source concentrates the majority of encumbrance held in the second material currency (USD), within the meaning of Annex XVII of the Implementing Regulation (EU) No. 680/2014, other than the reporting currency (EUR):
  - at 31 December 2019[1], repurchase agreements amounted to €139.0 billion for a total of €152.8 billion in encumbered assets and collateral received;
- derivatives associated mainly with the OTC derivative activity of Crédit Agricole CIB and encumbering mainly cash as part of margin calls:
  - at 31 December 2019, margin calls amounted to €20.8 billion.



(1) Central banks.
(2) Other than covered bonds or ABSs.
(3) Mainly securities lending and borrowing.
(4) Excluding collateral that could not be encumbered.

(1) The sharp increase compared to the position at 31 December 2018 is mainly due to the de-netting of repurchase and reverse repurchase agreements (effective methodological change since the Decree of 30 September 2019);

5. LIQUIDITY COVERAGE RATIO

Quantitative information

Scope of consolidation (solo/consolidated) *(in millions of euros)*		Total unweighted value (average)				Total weighted value (average)			
Quarter ending on		**31/03/2019**	**30/06/2019**	**30/09/2019**	**31/12/2019**	**31/03/2019**	**30/06/2019**	**30/09/2019**	**31/12/2019**
Number of data points used in the calculation of averages		*12*	*12*	*12*	*12*	*12*	*12*	*12*	*12*
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**211,925**	**216,158**	**219,430**	**223,194**
CASH-OUTFLOWS									
2	**Retail deposits and deposits from small business customers, of which:**	**500,291**	**507,938**	**516,059**	**524,656**	**31,015**	**31,545**	**32,128**	**32,744**
3	Stable deposits	399,578	404,682	409,755	415,053	19,979	20,234	20,488	20,753
4	Less stable deposits	100,713	103,256	106,304	109,603	11,037	11,311	11,641	11,991
5	**Unsecured wholesale funding**	**244,670**	**249,761**	**255,563**	**261,323**	**118,039**	**119,725**	**121,407**	**121,830**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	86,808	89,600	93,661	99,411	21,471	22,170	23,189	24,635
7	Non-operational deposits (all counterparties)	144,082	145,889	147,410	147,196	82,787	83,283	83,727	82,479
8	Unsecured debt	13,780	14,272	14,491	14,716	13,780	14,272	14,491	14,716
9	**Secured wholesale funding**					**18,822**	**18,583**	**18,567**	**19,710**
10	**Additional requirements**	**182,668**	**185,787**	**189,754**	**192,869**	**43,420**	**44,175**	**45,670**	**47,232**
11	Outflows related to derivative exposures and other collateral requirements	13,316	14,071	15,761	17,433	12,056	12,233	13,204	14,401
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	169,352	171,717	173,993	175,436	31,363	31,942	32,466	32,832
14	**Other contractual funding obligations**	**27,646**	**35,683**	**44,571**	**58,988**	**1,391**	**1,637**	**1,789**	**1,757**
15	**Other contingent funding obligations**	**46,557**	**47,834**	**49,209**	**49,992**	**818**	**819**	**861**	**1,325**
16	**TOTAL CASH OUTFLOWS**					**213,505**	**216,484**	**220,422**	**224,599**
CASH-INFLOWS									
17	**Secured lending (*e.g.* reverse repos)**	**143,089**	**145,072**	**147,233**	**153,691**	**14,858**	**14,820**	**14,624**	**15,828**
18	**Inflows from fully performing exposures**	**96,477**	**98,528**	**100,065**	**102,016**	**31,505**	**31,597**	**31,513**	**31,941**
19	**Other cash inflows**	**7,727**	**6,276**	**4,730**	**3,558**	**7,582**	**6,246**	**4,730**	**3,558**
EU-19a	**(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)**								
EU-19b	**(Excess inflows from a related specialised credit institution)**								
20	**TOTAL CASH INFLOWS**	**247,294**	**249,876**	**252,028**	**259,265**	**53,945**	**52,663**	**50,866**	**51,327**
EU-20a	**Fully exempt inflows**	-	-	-	-	-	-	-	-
EU-20b	**Inflows Subject to 90% Cap**	-	-	-	-	-	-	-	-
EU-20c	**Inflows Subject to 75% Cap**	224,168	226,709	228,606	231,778	53,945	52,663	50,866	51,327
21	**FULLY EXEMPT INFLOWS**					**211,925**	**216,158**	**219,430**	**223,194**
22	**INFLOWS SUBJECT TO 90% CAP**					**159,560**	**163,822**	**169,556**	**173,272**
23	**INFLOWS SUBJECT TO 75% CAP**					**132.8%**	**131.9%**	**129.4%**	**128.8%**

Qualitative information

Concentration of funding and liquidity sources	The Crédit Agricole Group follows a prudent refinancing policy, with very diversified access to the markets, in terms of investor base and products.
Derivative exposures and potential collateral calls	The cash outflows relating to this item mainly materialize the contingent risk of an increase in margin calls on derivative transactions in an unfavorable market scenario and an increase in margin calls following a downgrade of the Group's external rating. As of 31 December 2019, the amount of collateral that the Group should provide in the event of a downgrade of its credit rating amounted to €4.82 billion.
Currency mismatch in the LCR	As of 31 December 2019, the Group covers its net cash outflows with liquid assets denominated in the same currency in the main significant currencies. The magnitude of the residual asymmetries observed in certain currencies is considered satisfactory, given the surplus of premium liquid assets available in other significant currencies and which could be easily converted to cover these needs, including in crisis situations.
A description of the degree of centralisation of liquidity management and interaction between the Group's units	Crédit Agricole S.A. oversees the management of liquidity risk. ▪ Crédit Agricole S.A.'s treasury is responsible for refinancing the main short-term needs (≤1 year) of the Regional Banks and subsidiaries. It also coordinates the treasuries of the subsidiaries for their additional issuances. CA-CIB is self-sufficient in the management of its short-term refinancing, in close coordination with the Treasury of Crédit Agricole S.A. ▪ For long-term refinancing (>1 year), Crédit Agricole S.A. identifies long-term resource needs, plans refinancing programs according to these ones and reallocates the resources raised to the Group entities. The Group's main issuers are: Crédit Agricole S.A., CA-CIB, CA-CF, and CA Italia.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	In addition to the LCR surplus observed on 31 December 2019, the Group has non-HQLA liquidity reserves of €84 billion (after discounts), in the form of securities that can be sold on the market (€14 billion) as well as self-retained securitizations (€22 billion) and receivables eligible for refinancing from central banks and prepositioned in these ones (€48 billion).

6. COMPENSATION POLICY

The information on the compensation policy required pursuant to EU Regulation 575-2013 (CRR) can be found in Chapter 3 of the Universal registration document.

7. CROSS-REFERENCE TABLES

Cross-reference table for Pillar 3 (CRR and CRD 4)

CRR article	Topic	Reference 2019 Universal registration document and Amendment A01	2019 Universal registration document and Amendment A01
90 (CRD 4)	Return on assets	Management report	Chapter 4 URD
435 (CRR)	1. Risk management policy and objectives	Presentation of Committees – Corporate governance Main Group level Committees dealing with risk – Risk management	Chapter 3 URD p. 62 to 64 p. 50 to 60
436 (a)(b)	2. Scope of consolidation	Pillar 3 Financial statements Note 13.2	p. 122 to 123 p. 125 to 127 and p. 339 to 356
436 (c)(d)(e) (CRR)	2. Scope of consolidation	Unpublished information	
437 (CRR)	3. Equity	Reconciliation of accounting and regulatory capital Details of subordinated debt	p. 109 p. 111
438 (CRR)	4. Capital requirements	Risk-weighted assets by business line and trends	p. 128 to 130
439 (CRR)	5. Exposure to counterparty credit risk	General presentation of counterparty credit risk – exposures by type of risk Credit risk (all) Counterparty risk (all)	p. 130 to 175
440 (CRR)	6. Capital buffer	Minimum requirements and exposures by geographic area	p. 113 to 116 and p. 133 to 135
441 (CRR)	7. Indicators of global systemic importance	Communication on the indicators required for globally systemically important banks (G-SIBs) + website	p. 114 to 115 and press release
442 (CRR)	8. Adjustments for credit risk	Default exposures and value adjustments	p. 143 to 147
443 (CRR)	9. Asset encumbrance	Asset encumbrance	p. 184 to 186
444 (CRR)	10. Use of ECAIs	Protection providers	p. 172 to 174
445 (CRR)	11. Exposure to market risk	Exposure to market risk of the trading book	
446 (CRR)	12. Operational risk	Operational risk	p. 100 to 102 and p. 184
447 (CRR)	13. Equity exposures excluding the trading book	Equity exposures in the banking portfolio	p. 132 and p. 174
448 (CRR)	14. Exposure to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk management	p. 86 to 87 and p. 184
449 (CRR)	15. Exposures to securitisation positions	Securitisation – Pillar 3	p. 175 to 182
450 (CRR)	16. Compensation policy	Compensation policy – Corporate governance	Chapter 3 URD and p. 188
451 (CRR)	17. Leverage	Leverage ratio	p. 117 to 119
452 (CRR)	18. Use of the IRB approach to credit risk	Credit risk – internal ratings-based approach	p. 150 to 153
453 (CRR)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism	p. 75 to 77 and p. 172 to 174
454 (CRR)	20. Use of the advanced measurement approaches to operational risk	Operational risk	p. 100 to 102 and p. 184
455 (CRR)	21. Use of internal market risk models	Internal models approach to market risk capital requirements – Pillar 3	p. 182 to 184

EDTF cross-reference table

	Recommendation		Management report and other	Risk factors and risk management	Pillar 3	Consolidated financial statements
Introduction	1	Cross-reference table			p. 190	
	2	Terminology and risk measurements, key parameters used		p. 50 to 104	p. 130 and p. 148 to 160	p. 205 to 224 and p. 227 to 264
	3	Presentation of main risks and/or emerging risks		p. 50 to 104		p. 227 to 264
	4	New regulatory framework for solvency and Group objectives	p. 47 to 49	p. 88 to 91	p. 105 to 109	p. 264
Governance and risk management strategy	5	Organisation of control and risk management	Chapter 3 URD and p. 127 to 132	p. 61 et 64		
	6	Risk management strategy and implementation	Chapter 3 URD and p. 127 to 132	p. 50 to 104	p. 105 to 114	
	7	Risk mapping by business line			p. 129	
	8	Governance and management of internal credit and market stress tests		p. 62 to 65 and p. 75		
Capital requirements and risk-weighted assets	9	Minimum capital requirements			p. 113 to 115	
	10a	Breakdown of composition of capital			p. 111 to 113(1)	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory capital			p. 123 to 124 and p. 125 to 127	
	11	Change in regulatory capital			p. 111 to 113	
	12	Capital trajectory and CRD 4 ratio objectives	p. 47 to 49		p. 105 to 114	
	13	Risk-weighted assets by business line and risk type			p. 128 to 147	
	14	Risk-weighted assets and capital requirements by method and category of exposure		p. 74	p. 128 to 147	
	15	Exposure to credit risk by category of exposure and internal rating		p. 72 to 75 and p. 78	p. 131 to 175	
	16	Changes in risk-weighted assets by risk type			p. 128	
	17	Description of back-testing models and efforts to improve their reliability		p. 80 to 82 and p. 100 to 102	p. 161 to 162	
Liquidity	18	Management of liquidity and cash balance sheet		p. 88 to 92	p. 187 to 188	
	19	Asset encumbrance			p. 184 to 186	
	20	Breakdown of financial assets and financial liabilities by contractual maturity			p. 140	p. 255 to 257 and p. 314
	21	Liquidity and financing risk management		p. 88 to 92	p. 187 to 188	
Market risk	22 to 24	Market risk measurement		p. 80 to 85	p. 182 to 184	p. 205 to 224, p. 251 to 255 and p. 322 to 335
	25	Market risk management techniques		p. 80 to 85		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		p. 72 to 80	p. 130 to 175	p. 227 to 264
	27 and 28	Provisioning policy and risk hedging		p. 78 to 79		p. 207 to 216, p. 250 and p. 269
	29	Derivative instruments: notional, counterparty risk, offsetting		p. 72 to 80, p. 80 to 82, p. 84, p. 92 and p. 97 to 98	p. 164 to 175	p. 214 to 216, p. 251 to 255, p. 293 to 294 and p. 327
	30	Credit risk mitigation mechanisms		p. 75		p. 321 to 322
Other risks	31	Other risks: insurance sector risks, operational risks and legal risks, information systems security and business continuity plans		p. 50 to 71, p. 93 to 100 and p. 100 to 104		p. 264, p. 277 to 279 and p. 304 to 309
	32	Declared risks and ongoing actions regarding operational and legal risks		Chapter 5 URD and p. 100 to 102		p. 305 to 309

(1) Details of debt issues available on the website: www.credit-agricole.com/en/finance/finance/financial-publications

2 CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Group Crédit Agricole at 31 December 2019 approved by the Crédit Agricole S.A. Board of Directors on 13 February 2020 and subject to approval by the Joint General Meeting of Shareholders on 13 May 2020

GENERAL FRAMEWORK

CRÉDIT AGRICOLE GROUP

Crédit Agricole Group comprises 2,417 Local Banks, 39 Regional Banks, its central body "Crédit Agricole S.A." and their subsidiaries.

Crédit Agricole Mutuel was organised by the Act of 5 November 1894, which introduced the principle of creating Crédit Agricole's Local Banks, the Act of 31 March 1899, which federated the Local Banks into Crédit Agricole Regional Banks, and the Act of 5 August 1920, which created the *Office National du Crédit Agricole,* subsequently transformed into the *Caisse Nationale de Crédit Agricole,* and then Crédit Agricole S.A. Its role as central body was confirmed and clarified by the French Monetary and Financial Code.

Crédit Agricole Group is a banking group with a central body as defined by the European Union's first directive 77/780:

- the commitments of the central body and of the entities affiliated to it are joint and several;
- the solvency and liquidity of all affiliated entities are monitored together on the basis of consolidated financial statements.

For groups with a central body, directive 86/635 relating to the financial statements of European credit institutions stipulates that the whole group, consisting of the central body and its affiliated entities, must be covered by the consolidated financial statements prepared, audited and published in accordance with this directive.

In line with this directive, the central body and its affiliated entities make up the reporting entity. This reporting entity represents the community of interests created in particular by the system of cross guarantees, which ensure joint and several coverage of the commitments of Crédit Agricole Group network. In addition, the various texts mentioned in the first paragraph explain and organise the community of interests that exists at the legal, financial, economic and political levels between Crédit Agricole S.A., the Regional Banks and the Local Banks of Crédit Agricole Mutuel. This community relies on a single financial relationship mechanism, a single economic and commercial policy and joint decision-making authorities which, for over a century, have formed the basis of Crédit Agricole Group.

In accordance with European regulation 1606/02, the reporting entity's consolidated financial statements are prepared under IFRS as adopted by the European Union. The reporting entity consists of the Local Banks, the Regional Banks and Crédit Agricole S.A. central body.

CRÉDIT AGRICOLE INTERNAL RELATIONS

Internal financing mechanisms

Crédit Agricole has instituted a number of internal financing mechanisms specific to the Group.

Regional Banks' current accounts

Each Regional Bank holds a current account with Crédit Agricole S.A., which records the financial movements resulting from internal financial transactions within the Group. This account, which may be in credit or debit, is presented in the balance sheet under "Crédit Agricole internal transactions – Current Accounts" and integrated on a specific line item, either "Loans and receivables due from credit institutions" or "Due to credit institutions".

Special savings accounts

Funds held in special savings accounts (popular savings passbook accounts *(Livret d'épargne populaire),* sustainable development passbook accounts *(Livret de développement durable),* home purchase savings plans and accounts, popular savings plans, youth passbook accounts *(Livrets Jeunes)* and passbook savings accounts *(Livret A)* are collected by the Regional Banks on behalf of Crédit Agricole S.A. These funds are required to be transferred to the latter. Crédit Agricole S.A. recognises them on its balance sheet as "Due to customers".

Term deposits and advances

The Regional Banks also collect savings funds (passbook accounts, bonds, warrants, certain term accounts and related accounts, etc.) on behalf of Crédit Agricole S.A. These funds are transferred to Crédit Agricole S.A., and are recognised as such on its balance sheet.

Special savings accounts and time deposits and advances are used by Crédit Agricole S.A. to make "advances" (loans) to the Regional Banks, with a view to funding their medium and long-term loans.

A series of four internal financial reforms has been implemented. These reforms have permitted the transfer back to the Regional Banks, in the form of mirror advances (with maturities and interest rates precisely matching those of the savings funds received) of first 15%, 25%, then 33% and, since 31 December 2001, 50% of the savings resources, which they are free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of funds collected (and not transferred back *via* mirror advances) are shared by the Regional Banks and Crédit Agricole S.A. and are determined by using replacement models and applying market rates.

Furthermore, 50% of new loans written since 1 January 2004 and falling within the field of application of financial relations between Crédit Agricole S.A. and the Regional Banks may be refinanced in the form of advances negotiated at market rates with Crédit Agricole S.A.

Hence, there are currently two types of advances: advances governed by financial rules from before 1 January 2004 and those governed by the new rules.

Crédit Agricole S.A. may also make additional financing available to the Regional Banks at market rates.

Transfer of Regional Banks' liquidity surpluses

The Regional Banks may use their monetary deposits (demand deposits, non-centralised term deposits and negotiable certificates of deposit) to finance lending to their customers. Surpluses must be transferred to Crédit Agricole S.A. where they are booked as current or term accounts, under "Crédit Agricole internal transactions".

Investment of Regional Banks' surplus capital with Crédit Agricole S.A.

Available surplus capital may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics of interbank money market transactions in all respects.

Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Bank of France and centralises their foreign currency transactions.

Medium and long-term notes issued by Crédit Agricole S.A.

These are placed mainly on the market or by the Regional Banks with their customers. They are booked by Crédit Agricole S.A. under liabilities either as "Debt securities" or as "Subordinated debt", depending on the type of security issued.

Hedging of Liquidity and Solvency risks

European legislation relating to the resolution of banking crises adopted in 2014 (the BRRD directive, transposed into French law by Ordinance 2015-1024 of 20 August 2015, which also adapted French law to the regulation establishing a Single Resolution Mechanism) introduced a number of significant changes to the regulations applicable to credit institutions.

This framework, which includes measures to prevent and to resolve banking crises, is intended to preserve financial stability, to ensure the continuity of activities, services and operations of institutions whose failure could significantly impact the economy, to protect depositors, and to avoid or limit the use of public financial support as much as possible. In this context, the European Resolution Authorities, including the Single Resolution Board, have been granted extensive powers to take all necessary measures in connection with the resolution of all or part of a credit institution or the group to which it belongs.

The ACPR, the French national Resolution Authority, considers the "single point of entry" (SPE) resolution strategy to be the most appropriate for the French banking system. The Crédit Agricole Group has adopted the SPE model. Under this, Crédit Agricole S.A., in its capacity as central body of the Crédit Agricole network, would be this single point of entry in the event of a resolution of the Crédit Agricole Group. Given the solidarity mechanisms that exist within the Group, a member of the Crédit Agricole network or an entity affiliated with it cannot be resolved individually.

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code (CMF), Crédit Agricole S.A. as central body of the Crédit Agricole network must take all measures necessary to ensure the liquidity and solvency of each affiliated credit institution, as well as the network as a whole. As a result, each member of the network and each affiliated institution benefits from this internal financial solidarity mechanism.

The general provisions of the French Monetary and Financial Code are transposed into internal provisions setting out the operational measures required for this legal internal financial solidarity mechanism.

In the framework of the initial public offering of Crédit Agricole S.A. in 2001, CNCA (now Crédit Agricole S.A.) signed an agreement with the Regional Banks aiming to govern internal relations within the Crédit Agricole Group. The agreement notably provides for the creation of a Fund for Bank Liquidity and Solvency Risks (FRBLS) designed to enable Crédit Agricole S.A. to fulfil its role as central body by providing assistance to any affiliated members that may experience difficulties. The main provisions of this agreement are set out in Chapter III of the Universal Registration Document of Crédit Agricole S.A., registered with the *Commission des Opérations de Bourse* on 22 October 2001 under number R. 01-453.

The Resolution Authority may initiate resolution proceedings against a credit institution where it considers that: the failure of the institution is proven or foreseeable, there is no reasonable prospect that another private measure will prevent the failure within a reasonable time, a resolution measure is necessary, and a liquidation procedure would be inadequate to achieve the objectives of the resolution mentioned above.

The Resolution Authority may use one or more resolution instruments, as described below, with the objective of recapitalizing or restoring the viability of the institution. The resolution instruments must be implemented in such a way that the holders of equity securities (shares, mutual shares, CCIs, CCAs) bear the losses first, then the other creditors, subject to certain exceptions. French law also provides for a protective measure when certain instruments or resolution measures are implemented, such as the principle that holders of equity securities and creditors of an institution in resolution may not incur greater losses than those they would have incurred if the institution had been liquidated in the context of normal insolvency proceedings (the so-called No Creditor Worse Off than on Liquidation – NCWOL principle referred to in Article L 613-57.I of the CMF). Thus, investors are entitled to claim compensation if the treatment they receive in a resolution is less favourable than the treatment they would have received if the institution had been subject to normal insolvency proceedings.

The Resolution Authority may implement the internal bail-in tools. In the event of a resolution carried out on the Crédit Agricole Group, the Resolution Authority could thus decide to apply a bail-in measure on the equity instruments of the CET1 sub-fund (shares, mutual shares, CCIs and CCAs), *i.e.*, depreciate their minimum value in order to absorb losses, and to debt instruments, *i.e.* decide to implement their total or partial depreciation or their conversion into capital in order to also absorb losses. In this case, the investor must be aware that there is therefore a significant risk that holders of shares, mutual shares, CCIs and CCAs and holders of debt instruments will lose all or part of their investment if a banking resolution procedure is implemented on the Group.

The other resolution measures that the Resolution Authority may implement are essentially the total or partial transfer of the activities of the institution to a third party or to a bridging institution and the separation of the assets of the institution.

This resolution framework does not affect the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code, which applies to the Crédit Agricole Network, as defined in Article R. 512-18 of the same Code. Crédit Agricole S.A. considers that, in practice, this mechanism should be implemented prior to any resolution procedure.

The application of the resolution procedure to Crédit Agricole Group would thus mean that the legal internal solidarity mechanism had failed to cope with the bankruptcy of one or more Group affiliates, and hence of the network as a whole. By its very nature it also hinders the monitoring of the conditions for implementing the guarantee of the obligations of Crédit Agricole S.A. granted in 1988 to its third party creditors by the Regional Banks on a joint and several basis, and up to the aggregate amount of their own funds. It should be recalled that this guarantee may be exercised in the event of an asset shortfall at Crédit Agricole S.A. identified in the course of its bankruptcy or dissolution.

Specific guarantees provided by the Regional Banks to Crédit Agricole S.A. (Switch)

The Switch guarantee mechanism, established on 23 December 2011 and supplemented by an initial addendum signed on 19 December 2013 and twice amended in 2016 on 17 February (amendment No. 2) and 21 July (amendment No. 3) respectively, forms parts of the financial arrangements between Crédit Agricole S.A., as central body, and the mutual network of Crédit Agricole Regional Banks. The most recent amendments to these guarantees took effect retroactively on 1 July 2016, replacing the previous guarantees, and expire on 1 March 2027, subject to total or partial early termination or extension in accordance with the terms of the contract.

With this mechanism, and subject to the upper limit specified in the agreement, the Regional Banks assume, on behalf of Crédit Agricole S.A., regulatory requirements relating to the equity method of accounting for certain equity investments held by Crédit Agricole S.A. They also assume the associated economic risks in the form of compensation, where applicable.

The guarantees allow the transfer of regulatory requirements that henceforth apply to Crédit Agricole S.A.'s equity investments in Crédit Agricole Assurances (CAA), the latter being equity-accounted for regulatory reasons: we are now talking about the Insurance Switch guarantees. They are subject to fixed remuneration covering the present value of the risk and the cost of capital for the Regional Banks.

The effectiveness of the mechanism is secured by cash deposits paid by the Regional Banks to Crédit Agricole S.A. These cash deposits are calibrated to reflect the capital savings for Crédit Agricole S.A., and are compensated at a fixed rate based on conditions prevailing for long-term liquidity.

The Insurance Switch guarantees protect Crédit Agricole S.A. from a decline in the equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the cash deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. could return previously paid compensation in accordance with a clawback provision.

In regulatory terms:

- Crédit Agricole S.A. reduces its capital requirements in proportion to the amount of the guarantee provided by the Regional Banks;
- the Regional Banks symmetrically record capital requirements matching those offloaded by Crédit Agricole S.A.

This mechanism, which is neutral at Crédit Agricole Group level, enables the rebalancing of capital allocation between Crédit Agricole S.A. and the Regional Banks.

Capital ties between Crédit Agricole S.A. and the Regional Banks

The capital ties between Crédit Agricole S.A. and the Regional Banks are governed by an agreement entered into by the parties prior to Crédit Agricole S.A.'s initial public offering.

Under the terms of this agreement, the Regional Banks exercise their control over Crédit Agricole S.A. through SAS Rue La Boétie, a holding company wholly-owned by them. The purpose of SAS Rue La Boétie is to hold enough shares to ensure that it always owns at least 50% of the share capital and voting rights of Crédit Agricole S.A.

In addition, under the agreement, Crédit Agricole S.A. directly owned approximately 25% of the share capital of each Regional Bank (except for the *Caisse régionale de la Corse* which is owned at 99.9%). Following the transaction to simplify the Group's capital structure on 3 August 2016, the bulk of the cooperative investment certificates (*certificats coopératifs d'investissement* or CCIs) and the cooperative associate certificates (*certificats coopératifs d'associés* or CCAs) held by Crédit Agricole S.A. were transferred to a holding company ("Sacam Mutualisation") jointly owned by the Regional Banks.

RELATED PARTIES

The related parties of Crédit Agricole Group are the consolidated companies, including companies accounted for using the equity method, and the Group's Senior Executives.

Other shareholders' agreement

Shareholder agreements signed during the year are detailed in Note 2 "Major structural transactions and material events during the period".

Relationships between controlled companies affecting the consolidated balance sheet

A list of Crédit Agricole Group companies can be found in Note 13 "Scope of consolidation at 31 December 2019". Since the transactions and outstandings at year-end between the Group's fully consolidated companies are eliminated on consolidation, only transactions with companies consolidated by the equity method affect the Group's consolidated financial statements.

The main corresponding outstandings and commitments in the consolidated balance sheet at 31 December 2019relate to transactions with companies consolidated by the equity method for the following amounts:

- loans and receivables due from credit institutions: €2,791 million;
- loans and receivables due from customers: €2,556 million;
- amounts due to credit institutions: €1,210 million;
- amounts due to customers: €142 million;
- commitments given on financial instruments: €3,811 million;
- commitments received on financial instruments: €8,788 million.

The transactions entered into with these entities did not have a material effect on the income statement for the period.

Management of retirement, early retirement and end-of-career allowances: internal hedging contracts within the Group

As presented in Note 1.2 "Accounting policies and principles", employees are provided with various types of post-employment benefits. These include:

- end-of-career allowances;
- retirement plans, which may be either "defined-contribution" or "defined-benefit" plans.

The liability in this respect is partially funded by collective insurance contracts taken out with Predica, Crédit Agricole Group's life insurance company.

These contracts govern:

- the setting up by the insurance company of mutual funds for investing contributions made by the employer to build up sufficient funds to cover end-of-career allowances or retirement benefits;
- the management of the funds by the insurance company;
- the payment to the beneficiaries of the allowances and of the benefits due under the various plans.

Information on post-employment benefits is provided in Note 7 "Employee benefits and other compensation" in paragraphs 7.3 and 7.4.

Relations with senior management

Given the mutualist structure of Crédit Agricole Group and the broad scope of the reporting entities, the notion of "management" as defined by IAS 24 is not representative of the governance rules applied within Crédit Agricole Group.

Accordingly, the information required by IAS 24 concerning the compensation of key executives is not presented.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	Notes	31/12/2019	31/12/2018
Interest and similar income	4.1	33,509	33,110
Interest and similar expenses	4.1	(15,512)	(14,594)
Fee and commission income	4.2	13,721	13,841
Fee and commission expenses	4.2	(4,162)	(4,153)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	17,446	(2,934)
Net gains (losses) on held for trading assets/liabilities		4,751	632
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss		12,695	(3,566)
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	336	231
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss		167	71
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)		169	160
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	(10)	(1)
Net gains (losses) arising from the reclassification of financial assets at amortised cost to financial assets at fair value through profit or loss		-	-
Net gains (losses) arising from the reclassification of financial assets at fair value through other comprehensive income to financial assets at fair value through profit or loss		-	-
Income on other activities	4.6	42,006	43,310
Expenses on other activities	4.6	(53,592)	(36,262)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	5.3	(445)	291
Revenues		**33,297**	**32,839**
Operating expenses	4.7	(20,088)	(20,266)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(1,724)	(1,188)
Gross operating income		**11,485**	**11,385**
Cost of risk	4.9	(1,757)	(1,719)
Operating income		**9,728**	**9,666**
Share of net income of equity-accounted entities		356	266
Net gains (losses) on other assets	4.10	36	87
Change in value of goodwill	6.16	(642)	86
Pre-tax income		**9,478**	**10,105**
Income tax charge	4.11	(1,736)	(2,733)
Net income from discontinued operations		(38)	(3)
Net income		**7,704**	**7,369**
Non-controlling interests	6.21	506	525
NET INCOME GROUP SHARE		**7,198**	**6,844**

NET INCOME AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	31/12/2019	31/12/2018
Net income		**7,704**	**7,369**
Actuarial gains and losses on post-employment benefits	4.12	(212)	50
Other comprehensive income on financial liabilities attributable to changes in own credit risk[1]	4.12	(77)	387
Other comprehensive income on equity instruments that will not be reclassified to profit or loss[1]	4.12	309	251
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**20**	**688**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**4.12**	**(24)**	**1**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**45**	**(271)**
Income tax related to items that will not be reclassified on equity-accounted entities		**6**	**(3)**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**4.12**	**3**	**5**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**4.12**	**50**	**420**
Gains and losses on translation adjustments	4.12	313	259
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	1,185	(1,340)
Gains and losses on hedging derivative instruments	4.12	360	(153)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	4.12-5.3	435	(356)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**2,293**	**(1,590)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss equity-accounted entities, Group Share	**4.12**	**7**	**(11)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**(493)**	**570**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**4.12**	**1**	**1**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**4.12**	**(11)**	**(2)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss of income tax	**4.12**	**1,797**	**(1,032)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**4.12**	**1,847**	**(612)**
NET INCOME AND OTHER COMPREHENSIVE INCOME		**9,551**	**6,757**
Of which Group share		9,006	6,259
Of which non-controlling interests		545	498

(1) Of which -€31 million of items transferred to Reserves of items that cannot be reclassified.

BALANCE SHEET – ASSETS

(in millions of euros)	Notes	31/12/2019	31/12/2018
Cash, central banks	6.1	97,135	70,584
Financial assets at fair value through profit or loss	3.1-6.2-6.6-6.7	404,336	372,142
Held for trading financial assets		227,698	223,229
Other financial instruments at fair value through profit or loss		176,638	148,913
Hedging derivative Instruments	3.2-3.4	20,947	15,829
Financial assets at fair value through other comprehensive income	3.1-6.4-6.6-6.7	272,312	264,981
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss		268,299	260,251
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss		4,013	4,730
Financial assets at amortised cost	3.1-3.3-6.5-6.6-6.7	1,109,579	1,032,456
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)		100,949	97,194
Loans and receivables due from customers		913,496	854,681
Debt securities		95,134	80,581
Revaluation adjustment on interest rate hedged portfolios		11,714	8,337
Current and deferred tax assets	6.10	6,293	6,223
Accruals, prepayments and sundry assets	6.11	44,440	44,343
Non-current assets held for sale and discontinued operations	6.12	475	257
Deferred participation benefits	6.16	-	52
Investments in equity-accounted entities	6.12	7,103	6,308
Investment property	6.14	7,277	6,967
Property, plant and equipment[(1)]	6.15	10,153	7,778
Intangible assets[(1)]	6.15	3,383	2,442
Goodwill	6.16	15,819	16,064
TOTAL ASSETS		**2,010,966**	**1,854,763**

(1) See Note 12 "Impacts of accounting changes or other events" on the impacts of the first-time application of IFRS 16 Leases at 1 January 2019.

BALANCE SHEET – LIABILITIES & EQUITY

(in millions of euros)	Notes	31/12/2019	31/12/2018
Central banks	6.1	2,183	1,140
Financial liabilities at fair value through profit or loss	6.2	245,109	225,902
Held for trading financial liabilities		205,061	191,684
Financial liabilities designated at fair value through profit or loss		40,048	34,218
Hedging derivative instruments	3.2-3.4	20,498	16,170
Financial liabilities at amortised cost		1,168,448	1,084,032
Due to credit institutions	3.3-6.8	99,575	95,970
Due to customers	3.1-3.3-6.8	855,507	789,835
Debt securities	3.3-6.8	213,366	198,227
Revaluation adjustment on interest rate hedged portfolios		10,508	7,879
Current and deferred tax liabilities	6.10	3,995	2,442
Accruals, prepayments and sundry liabilities[1]	6.11	51,366	48,009
Liabilities associated with non-current assets held for sale and discontinued operations		478	229
Insurance company technical reserves	6.17	358,249	325,910
Provisions	6.18	6,937	8,107
Subordinated debt	3.3-6.19	21,661	22,755
Total liabilities		**1,889,432**	**1,742,575**
Equity		**121,534**	**112,188**
Equity – Group share		**114,972**	**106,717**
Share capital and reserves		28,676	27,611
Consolidated reserves		75,983	70,955
Other comprehensive income		3,115	1,298
Other comprehensive income on discontinued operations		-	9
Net income (loss) for the year		7,198	6,844
Non-controlling interests		**6,562**	**5,471**
TOTAL LIABILITIES AND EQUITY		**2,010,966**	**1,854,763**

(1) See Note 12 "Impacts of accounting changes or other events" on the impacts of the first-time application of IFRS 16 Leases at 1 January 2019.

STATEMENT OF CHANGES IN EQUITY

	Group share				
	Share and capital reserves				
(in millions of euros)	Share capital	Share premium and consolidated reserves[1]	Elimination of treasury shares	Other equity instruments	Total capital and consolidated reserves
Equity at 1 January 2018	**10,638**	**83,954**	**(248)**	**4,999**	**99,343**
Capital increase	507	156	-	-	**663**
Changes in treasury shares held	-	-	(26)	-	**(26)**
Issuance / redemption of equity instruments	-	-	-	12	**12**
Remuneration of undated deeply subordinated notes	-	(453)	-	-	**(453)**
Dividends paid in 2018	-	(2,352)	-	-	**(2,352)**
Dividends received from Regional Banks and subsidiaries	-	1,373	-	-	**1,373**
Impact of acquisitions/disposals on non-controlling interests	-	(8)	-	-	**(8)**
Changes due to share-based payments	-	22	-	-	**22**
Changes due to transactions with shareholders	**507**	**(1,262)**	**(26)**	**12**	**(769)**
Changes in other comprehensive income	**-**	**(70)**	**-**	**-**	**(70)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(57)	-	-	**(57)**
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(12)	-	-	**(12)**
Share of changes in equity-accounted entities	-	19	-	-	**19**
Net income for 2018	-	-	-	-	**-**
Other changes	-	43	-	-	**43**
Equity at 31 December 2018	**11,145**	**82,684**	**(274)**	**5,011**	**98,566**
Appropriation of 2018 net income	-	6,844	-	-	**6,844**
Equity at 1 January 2019	**11,145**	**89,528**	**(274)**	**5,011**	**105,410**
Impacts of new accounting standards[1]	-	-	-	-	-
Equity at 1 January 2019 restated	**11,145**	**89,528**	**(274)**	**5,011**	**105,410**
Capital increase	763	86	-	-	**849**
Changes in treasury shares held	-	-	50	-	**50**
Issuance / redemption of equity instruments	-	(116)	-	123	**7**
Remuneration of undated deeply subordinated notes	-	(485)	-	-	**(485)**
Dividends paid in 2019	-	(2,546)	-	-	**(2,546)**
Dividends received from Regional Banks and subsidiaries	-	1,474	-	-	**1,474**
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	**-**
Changes due to share-based payments	-	27	-	-	**27**
Changes due to transactions with shareholders	**763**	**(1,560)**	**50**	**123**	**(624)**
Changes in other comprehensive income	**-**	**(26)**	**-**	**-**	**(26)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(19)	-	-	**(19)**
Of which other comprehensive income attributable to changes in own credit risk reclassified to consolidated reserves	-	(8)	-	-	**(8)**
Share of changes in equity-accounted entities	-	2	-	-	**2**
Net income for 2019	-	-	-	-	**-**
Other changes[2]	-	(103)	-	-	**(103)**
EQUITY AT 31 DECEMBER 2019	**11,908**	**87,841**	**(224)**	**5,134**	**104,659**

(1) See Note 2 "Major structural transactions and material events during the period".

(2) The other variations mainly concern:

– the increase in CACEIS capital subscribed by Santander's 30.5% interest as part of the acquisitions of S3 Spain and S3 Latam in the amount of €1 billion in equity;

– the redemption guarantee granted to Banco BPM for 10% of its Agos securities for an impact of -€150 million in equity.

Group share					Non-controlling interests					
Other comprehensive income						Other comprehensive income				
Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	**Total other comprehensive income**	Net income	**Total equity**	**Capital, associated reserves and income**	Other comprehensive income on items that may be reclassified to profit and loss	Other comprehensive income on items that will not be reclassified to profit and loss	**Total other comprehensive income**	**Total equity**	**Total consolidated equity**
3,352	**(1,460)**	**1,892**	**-**	**101,234**	**5,377**	**(108)**	**9**	**(99)**	**5,278**	**106,513**
-	-	-	-	663	-	-	-	-	-	663
-	-	-	-	(26)	-	-	-	-	-	(26)
-	-	-	-	12	-	-	-	-	-	12
-	-	-	-	(453)	(3)	-	-	-	(3)	(456)
-	-	-	-	(2,352)	(307)	-	-	-	(307)	(2,659)
-	-	-	-	1,373	-	-	-	-	-	1,373
-	-	-	-	(8)	10	-	-	-	10	2
-	-	-	-	22	8	-	-	-	8	30
-	**-**	**-**	**-**	**(769)**	**(292)**	**-**	**-**	**-**	**(292)**	**(1,061)**
(1,012)	**437**	**(575)**	**-**	**(645)**	**1**	**(10)**	**(15)**	**(25)**	**(24)**	**(669)**
-	57	**57**	-	-	1	-	(1)	(1)	-	-
-	12	**12**	-	-	-	-	-	-	-	-
(8)	(2)	**(10)**	-	9	2	(2)	-	(2)	-	9
-	-	-	6,844	6,844	525	-	-	-	525	7,369
-	-	-	-	43	(16)	-	-	-	(16)	27
2,332	**(1,025)**	**1,307**	**6,844**	**106,717**	**5,597**	**(120)**	**(6)**	**(126)**	**5,471**	**112,188**
-	-	-	(6,844)	-	-	-	-	-	-	-
2,332	**(1,025)**	**1,307**	**-**	**106,717**	**5,597**	**(120)**	**(6)**	**(126)**	**5,471**	**112,188**
-	-	-	-	-	-	-	-	-	-	-
2,332	**(1,025)**	**1,307**	**-**	**106,717**	**5,597**	**(120)**	**(6)**	**(126)**	**5,471**	**112,188**
-	-	-	-	849	-	-	-	-	-	849
-	-	-	-	50	-	-	-	-	-	50
-	-	-	-	7	13	-	-	-	13	20
-	-	-	-	(485)	(12)	-	-	-	(12)	(497)
-	-	-	-	(2,546)	(345)	-	-	-	(345)	(2,891)
-	-	-	-	1,474	-	-	-	-	-	1,474
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	27	11	-	-	-	11	38
-	**-**	**-**	**-**	**(624)**	**(333)**	**-**	**-**	**-**	**(333)**	**(957)**
1,739	**78**	**1,817**	**-**	**1,791**	**-**	**50**	**(11)**	**39**	**39**	**1,830**
-	19	**19**	-	-	-	-	-	-	-	-
-	8	**8**	-	-	-	-	-	-	-	-
8	(17)	**(9)**	-	(7)	1	-	-	-	1	(6)
-	-	-	7,198	7,198	506	-	-	-	506	7,704
-	-	-	-	(103)	878	-	-	-	878	775
4,079	**(964)**	**3,115**	**7,198**	**114,972**	**6,649**	**(70)**	**(17)**	**(87)**	**6,562**	**121,534**

CASH FLOW STATEMENT

The cash flow statement is presented using the indirect method.

Operating activities are representative of income-generating activities of the Crédit Agricole Group.

Tax inflows and outflows are included in full within operating activities.

Investment activities show the impact of cash inflows and outflows associated with purchases and sales of investments in consolidated and non-consolidated companies, property, plant and equipment and intangible assets. This section includes strategic equity investments classified as at "Fair value through profit or loss" or "Fair value through other comprehensive income on items that cannot be reclassified".

Financing activities show the impact of cash inflows and outflows associated with operations of financial structure concerning equity and long-term borrowing.

The net **cash flows** attributable to the operating, investment and financing activities **of discontinued operations** are presented on separate lines in the cash flow statement.

Net cash and cash equivalents include cash, debit and credit balances with central banks and debit and credit demand balances with credit institutions.

(in millions of euros)	Notes	31/12/2019	31/12/2018
Pre-tax income		**9,478**	**10,105**
Net depreciation and impairment of property, plant & equipment and intangible assets		1,722	1,188
Impairment of goodwill and other fixed assets	6.16	642	(86)
Net addition to provisions		23,470	11,054
Share of net income of equity-accounted entities		(613)	(492)
Net income (loss) from investment activities		(36)	(87)
Net income (loss) from financing activities		2,982	3,015
Other movements		4,790	(1,565)
Total Non-cash and other adjustment items included in pre-tax income		**32,957**	**13,027**
Change in interbank items		(1,016)	1,493
Change in customer items		(4,533)	(4,806)
Change in financial assets and liabilities		(23,034)	7,402
Change in non-financial assets and liabilities		3,472	(738)
Dividends received from equity-accounted entities(1)		308	188
Taxes paid		(2,475)	(1,407)
Net change in assets and liabilities used in operating activities		**(27,278)**	**2,132**
Cash provided (used) by discontinued operations		**32**	**-**
Total net cash flows from (used by) operating activities (A)		**15,189**	**25,264**
Change in equity investments(2)		**7,185**	**(1,195)**
Change in property, plant & equipment and intangible assets		**(1,854)**	**(1,405)**
Cash provided (used) by discontinued operations		**-**	**(6)**
Total Net cash flows from (used by) investing activities (B)		**5,331**	**(2,606)**
Cash received from (paid to) shareholders(3)		**(935)**	**(1,023)**
Other cash provided (used) by financing activities(4)		**4,371**	**957**
Cash provided (used) by discontinued operations		**(9)**	**-**
Total net cash flows from (used by) financing activities (C)		**3,427**	**(66)**
Impact of exchange rate changes on cash and cash equivalent (D)		**1,278**	**878**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)		**25,225**	**23,470**
Cash and cash equivalents at beginning of period		**89,125**	**65,655**
Net cash accounts and accounts with central banks *		69,432	50,675
Net demand loans and deposits with credit institutions **		19,693	14,980
Cash and cash equivalents at end of period		**114,350**	**89,125**
Net cash accounts and accounts with central banks *		95,003	69,432
Net demand loans and deposits with credit institutions **		19,347	19,693
NET CHANGE IN CASH AND CASH EQUIVALENTS		**25,225**	**23,470**

* *Consisting of the net balance of the "Cash, central banks" item, excluding accrued interest and including cash of entities reclassified as discontinued operations.*

** *Consisting of the balance of the "Non doubtful current accounts in debit" and "Non doubtful overnight accounts and advances" items as detailed in Note 6.5 and the "Current accounts in credit" and "Overnight accounts and deposits" items as detailed in Note 6.5 (excluding accrued interest and including Crédit Agricole internal transactions).*

(1) **Dividends received from equity-accounted entities:** *at 31 December 2019, this amount includes the payment of dividends from insurance entities for €176 million, from Crédit Agricole Consumer Finance subsidiaries for €110 million, from Amundi subsidiaries for €18 million and from other entities of Crédit Agricole Group for €4 million.*

(2) **Change in equity investments:** *this line shows the net effects on cash of acquisitions and disposals of equity investments.*

– The net impact on Group cash of acquisitions and disposals of consolidated equity investments (subsidiaries and equity-accounted entities) on 31 December2019 is +€7,773 million. The main transactions involve the entry into the scope of consolidation of the entities Santander Securities Services S.A. for +€6,994 million net cash acquired and KAS Bank for +€1,218 million and subscriptions to capital increases of equity-accounted entities, including Ramsay for -€240 million.

– During the same period, the net impact on Group cash of acquisitions and disposals of non-consolidated equity investments came to -€548 million, of which -€1,096 million from insurance investments, the acquisition of ProFamily by Agos S.p.A. for -€310 million and the sale of BSF shares for +€967 million.

(3) **Cash received from (paid to) shareholders:** *this amount is predominantly comprised of -€1,903 million in dividends paid, excluding dividends paid in shares, by Crédit Agricole S.A. Group. It breaks down as follows:*

– dividends paid by Crédit Agricole S.A. for -€2,546 million;

– dividends received from Regional Banks and subsidiaries for €1,474 million;

– dividends paid by non-controlled subsidiaries for -€345 million; and

– interest, equivalent to dividends on undated financial instruments treated as equity for -€486 million.

This amount also includes Regional and Local Bank's capital share increase for €698 million and issues and redemptions of equity instruments for +€123 million.

(4) **Other net cash flows from financing activities:** *at 31 December 2019, bond issues totalled €20,567 million and redemptions -€11,225 million. Subordinated debt issues totalled €1,900 million and redemptions -€3,799 million.*

This line also includes cash flows from interest payments on subordinated debt and bonds for -€2,947 million.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 Group accounting policies and principles, assessments and estimates applied

1.1 APPLICABLE STANDARDS AND COMPARABILITY

Pursuant to EC Regulation No. 1606/2002, the consolidated financial statements have been prepared in accordance with IAS/IFRS standards and IFRIC interpretations applicable at 31 December 2019 and as adopted by the European Union (carve-out version), thus using certain exceptions in the application of IAS 39 on macro-hedge accounting.

These standards and interpretations are available on the European Commission website at: https://ec.europa.eu/info/business-economy-euro/company-reporting-and-auditing/company-reporting/financial-reporting_en

The standards and interpretations are the same as those applied and described in the Group's financial statements for the financial year ended 31 December 2018.

They have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2019 and that must be applied for the first time in 2019.

These cover the following:

Standards, amendments or interpretations	Date published by the European Union	Date of first-time application: financial years from	Applicable in the Group
IFRS 16 "Leases" Supersedes IAS 17 on the recognition of leases and related interpretations (IFRIC 4 "Determining whether an arrangement contains a lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the substance of transactions in the legal form of a lease")	31 October 2017 (EU 2017/1986)	1 January 2019	Yes
Amendment to IFRS 9 "Financial instruments" Options for early redemption with negative penalty	22 March 2018 (EU 2018/498)	1 January 2019(1)	Yes
Interpretation of IFRIC 23 "Uncertainty over income tax treatments"(2) Clarifications to IAS 12 "Income taxes"	24 October 2018 (EU 2018/1595)	1 January 2019	Yes(2)
Improvements to IFRS cycle 2015-2017: ▪ IAS 12 "Income taxes" ▪ IAS 23 "Borrowing costs" ▪ IFRS 3/IFRS 11 "Business combinations"/"Joint arrangements"	15 March 2019 (EU 2019/412)	1 January 2019 1 January 2019 1 January 2019	Yes Yes Yes
Amendment to IAS 28 "Investments in associates and joint ventures" Clarification for the investor on the recognition of long-term interests in associates and joint ventures	11 February 2019 (EU 2019/237)	1 January 2019	Yes
Amendment to IAS 19 "Employee benefits" Clarification of the consequences of a change, withdrawal or settlement on determining the cost of services rendered and the net interest	14 March 2019 (EU 2019/402)	1 January 2019	Yes

(1) The Group decided to apply the amendment to IFRS 9 early from 1 January 2018.

(2) The application of the IFRIC 23 interpretation did not have a significant impact on the Group's equity as at 1 January 2019.

Accordingly, the Crédit Agricole Group publishes, for the first time from 1 January 2019, its IFRS financial statements under IFRS 16 "Leases".

IFRS 16 "Leases" supersede IAS 17 and all related interpretations (IFRIC 4 "Determining whether an arrangement Contains a Lease", SIC 15 "Operating Leases – Incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease").

The main change made by IFRS 16 relates to accounting for lessees. IFRS 16 impose for a model in respect of lessees that recognises all leases on the balance sheet, with a lease liability on the liability side representing commitments over the life of the lease and on the asset side, an amortisable right-to-use.

When first applying IFRS 16, the Group chose to apply the modified retrospective method without restatement of the 2019 comparative information in accordance with paragraph C5(b) of IFRS 16 for contracts previously classified under operating leases pursuant to IAS 17. In accordance with this approach, the Group recognised for 1 January 2019 a rental obligation valued at the present value of the remaining rental payments and a right-of-use asset valued at the amount of the lease liability adjusted, where applicable, for the amount of rents paid in advance and payable that were recognised in the statement of financial position immediately before the date of first application.

For lease agreements previously classified as finance leases, Crédit Agricole S.A. reclassified the carrying amount of the assets and debt recognised pursuant to IAS 17 immediately before the date of first application as right-of-use assets (property, plant & equipment) and lease liabilities (sundry liabilities) on the date of first application.

The application of IFRS 16 did not have any impact on equity.

At the transition date, the Group chose to apply the following simplifying measures proposed by the standard:

- no adjustment for contracts that come to an end within 12 months of the date of first application. This concerns, in particular, the 3/6/9 leases that are subject to tacit renewal on the date of first application. In line with the update of IFRIC as of March 2019, and with the AMF-13 recommendation, the Group did not consider the IFRS IC decision as at 26 November 2019 related to the definition of IFRS 16 lease maturity in financial statements as of 31 December 2019, in order to have enough time to analyse the accounting impacts of this decision in 2020. Thus, accounting policies and procedures of the financial statements of 31 December 2019 have not been affected;
- no adjustment for leases whose underlying assets are of low value;

- adjustment of the right-of-use asset for the amount recognised at 31 December 2019 in the statement of financial position for the provision for onerous contracts;
- exclusion of the initial direct costs of valuing the right-of-use asset.

The Group also chose not to reassess whether a contract is or contains a lease on the transition date. For contracts concluded prior to the transition date, the Group applied IFRS 16 to contracts identified as leases pursuant to IAS 17 and IFRIC 4.

The discount rate applicable to the calculation of the right-of-use asset and the lease liability is the marginal rate of indebtedness on the date of initial application of IFRS 16, based on the residual maturity of the contract on 1 January 2019.

The right-of-use assets recorded on the date of first application primarily relate to estate leases.

In addition, the IFRIC 23 Interpretation on Uncertainty over Income Tax Treatments, published on 24 October 2018, applies from 1 January 2019 to all entities that have identified any uncertainties about the tax positions they have adopted. It also provides details of how to estimate them:

- the analysis must be based on an assessment by the tax authorities;
- the tax risk must be recognized as a liability as soon as he is more likely than unlikely that the tax authorities will question the treatment adopted, for an amount reflecting management's best estimate;
- in the event that the probability of a refund by the tax authorities is greater than 50%, a receivable must be recognised.

On 25 September 2019, IFRIC specified that uncertain tax positions should be classified under "Tax liabilities" on the balance sheet.

Crédit Agricole Group decided to apply this decision which led to the reclassification of provisions for tax risks relating to income tax from the "Provisions" section to the "Current and deferred tax liabilities" section in the balance sheet at 1 January 2019.

In addition, it is reminded that when the early application of the European Union accounting policies and principles is optional over a period, the Group does not take the option unless it is specifically mentioned.

This is the case in particular for:

Standards, amendments or interpretations	Date published by the European Union	Applicable in the Group	Date of first-time application: financial years from
Amendment to the references to the conceptual frame of IFRS	6 December 2019 (UE 2019/2075)	Yes	1 January 2020
IAS 1/IAS 8 Presentation of Financial statements Definition of Material	10 December 2019 (UE 2019/2104)	Yes	1 January 2020
Amendment to IFRS 9, IAS 39 and IFRS 7 Financial Instruments Interest rate benchmark reform	15 January 2020 (UE 2020/34)	Yes	1 January 2020[1]

(1) The Group decided to early apply the amendment to IFRS 9, IAS 39 and IFRS 7 Financial instruments on the Interest rate benchmark reform from 1 January 2019.

The standards and interpretations published by the IASB at 30 December 2019 but not yet adopted by the European Union are not applied by the Group. They will become mandatory only as from the date planned by the European Union and have not been applied by the Group at 31 December 2019.

This concerns IFRS 17 in particular.

IFRS 17 "Insurance contracts" issued in May 2017 will replace IFRS 4. Published in June 2019, the IASB's exposure Draft amending IFRS 17 proposed extending its effective date by one year to 1 January 2022 will replace IFRS 4. At its meeting of 14 November 2018, the IASB decided to defer its effective date by one year to 1 January 2022.

IFRS 17 sets out the new measurement and recognition principles for insurance contract liabilities and evaluation of their profitability, in addition to their presentation. In 2017, scoping work began on the implementation project in order to identify the challenges and impacts of the standard on the Group's insurance subsidiaries. During 2019, the analysis and preparation work for implementation continued.

In addition, one amendment to existing standards, published by the IASB, also pending adoption by European Union. This cible amendment to IFRS 3 "Business Combination" (with potentiel for early application).

IBOR Reform

As a user of critical benchmarks, the Crédit Agricole Group is acutely aware of their importance and of the issues relating to their changes in the context of ongoing reforms.

Within the Crédit Agricole Group, the Benchmarks project is the guiding force for the benchmark transition and looks to ensure that all entities comply with the Benchmark Regulation (BMR). It was launched in the Group entities to prepare all business lines and support customers in transitions to new benchmark rates.

It is organised with a view to identifying and analysing the impacts of the reform. In particular, all exposures and contracts are mapped to estimate the consolidated exposure of the Crédit Agricole Group to the reform.

The main benchmarks to which the Group's hedging relationships are exposed are the critical benchmarks as defined in the BMR (Eonia, Euribor, Libor GBP, Libor JPY, Libor CHF, Libor EUR, Wibor, Stibor) as well as the Hibor.

Regarding the Eonia-€STR (Short Term Rate) transition, the precise terms were determined by the ECB's EUR RFR WG (European risk-free rate working group). Eonia will disappear on the last day of its publication, 3 January 2022. Concerning other benchmarks, banking working groups with the support of the authorities, are progressing in determining methodologies for replacing them by alternative rates calculated based on the RFR and/or recommending fallbacks clauses to be included in contracts. Market associations such as ISDA and LMA are also working in this direction. At this point, not all these works have been conclusive and there is still some uncertainty as to the correct conventions selected as well as the precise schedule.

As at 31 December 2019, this assessment shows the nominal amount of the hedging instruments affected by the reform to be €975 billion.

The group will apply amendments to IFRS 9 published by the IASB on 26 September 2019 as long as the uncertainty regarding benchmarks will have consequences on the amounts and maturity of cash flows.

New definition of default

The definition of default is regulated by Article 178 of Regulation (EU) No. 575/2013 on prudential requirements for credit institutions and investment firms. The detailed rules for the application of this definition are laid down in the Guidelines of the European Banking Authority (EBA/GL/2016/07) and, with regard to the concept of materiality threshold, in an ECB Regulation (Regulation (EU) 2018/1845).

The application of these two texts will lead to a change in the scope and amount of defaulted outstandings (Bucket 3), since, as specified in our accounting policies and principles and methods, the definition of default for the estimation of ECL impairment is identical to that used in management and for regulatory calculations.

The Group expects to implement these clarifications on the application of the prudential definition of exposures in default in the course of financial year 2020, which will lead to a change in the scope of consolidation and outstanding amounts in default for accounting purposes in the same proportions. Quantitative work on changes in the outstandings of defaulted loans and the possible effects on the level of impairment on each of the buckets is currently being analysed in order to estimate the future accounting consequences.

1.2 ACCOUNTING POLICIES AND PRINCIPLES

Use of assessments and estimates to prepare the financial statements

Estimates made to draw up the financial statements are by nature based on certain assumptions and involve risks and uncertainties as to whether they will be achieved in the future.

Future results may be influenced by many factors, including:

- activity in domestic and international financial markets;
- fluctuations in interest and foreign exchange rates;
- the economic and political climate in certain industries or countries;
- changes in regulations or legislation.

This list is not exhaustive.

Accounting estimates based on assumptions are principally used in the following assessments:

- financial instruments measured at faire value;
- investments in non-consolidated companies;
- pension schemes and other post-employment benefits;
- stock option plans;
- depreciation on debt instruments at amortised cost or at fair value through other comprehensive income that can be reclassified;
- provisions;
- impairment of goodwill;
- deferred tax assets;
- valuation of equity-accounted entities;
- policyholders' deferred profit sharing.

The procedures for the use of assessments or estimates are described in the relevant sections below.

Financial instruments (IFRS 9, IAS 39 and IAS 32)

Definitions

IAS 32 defines a financial instrument as any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity, meaning any contract representing contractual rights or obligations to receive or pay cash or other financial assets.

Derivative instruments are financial assets or liabilities whose value changes according to that of an underlying asset, which requires a low or nil initial investment, and for which settlement occurs at a future date.

Financial assets and liabilities are treated in the financial statements in accordance with IFRS 9 as adopted by the European Union, including for financial assets held by the Group's insurance entities.

IFRS 9 sets the principles governing the classification and measurement of financial instruments, impairment of credit risk and hedging accounting, excluding macro-hedging transactions.

It should nevertheless be noted that the Crédit Agricole group has opted not to apply the IFRS 9 general hedging model. All hedging relationships consequently remain within the scope of IAS 39 pending future provisions relating to macro-hedging.

Conventions for valuing financial assets and liabilities

Initial valuation

During their initial recognition, financial assets and liabilities are measured at fair value as defined by IFRS 13.

Fair value as defined by IFRS 13 corresponds to the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

Subsequent valuation

After initial recognition, financial assets and liabilities are measured according to their classification either at amortised cost using the effective interest rate method (EIR) or at fair value as defined by IFRS 13. For derivative instruments, they are always measured at their fair value.

Amortised cost corresponds to the amount at which the financial asset or liability is measured during its initial recognition, including transaction costs directly attributable to its acquisition or issue, reduced by repayments of principal, increased or reduced by the cumulative amortisation calculated by the effective interest rate method (EIR) on any difference (discount or premium) between the initial amount and the amount at maturity. In the case of a financial asset, the amount is adjusted if necessary in order to correct for impairment (see the section on "Provisions for credit risk").

The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period, to obtain the net carrying amount of the financial asset or financial liability.

Financial assets

Classification and measurement of financial assets

Non-derivative financial assets (debt or equity instruments) are classified on the balance sheet in accounting categories that determine their accounting treatment and their subsequent valuation mode. These financial assets are classified in one of the following three categories:

- financial assets at fair value through profit or loss;
- financial assets at amortised cost;
- financial assets at fair value through other comprehensive income.

The criteria for the classification and valuation of financial assets depends on the nature of the financial assets, according to whether they are qualified as:

- debt instruments (*i.e.* loans and fixed or determinable income securities); or
- equity instruments (*i.e.* shares).

Debt instruments

The classification and valuation of a debt instrument depends on the combination of two criteria: the business model defined at portfolio level and the analysis of the contractual terms determined by debt instrument, unless the fair value option is used.

The three business models

The business model represents the strategy followed by the management of the Crédit Agricole group for managing its financial assets in order to achieve its objectives. The business model is specified for a portfolio of assets and does not constitute a case-by-case intention for an isolated financial asset.

We distinguish three business models:

- the collection model for which the aim is to collect contractual cash flows over the lifetime of the assets; this model does not always imply holding all of the assets until their contractual maturity; however, sales of assets are strictly governed;
- the collect and sell model where the aim is to collect the contractual cash flows over the lifetime of the assets and to sell the assets; under this model, both the sale of the financial assets and receipt of cash flows are essential; and
- the other/sell only model, where the main aim is to sell the assets.

When the management strategy for managing financial assets does not correspond to either the collect model or the collect and sell model, these financial assets are classified in a portfolio whose management model is other/sell.

In particular, it concerns portfolios where the aim is to collect cash flows *via* sales, portfolios whose performance is assessed based on fair value and portfolios of financial assets held for trading.

The contractual terms ("Solely Payments of Principal & Interest" [SPPI] test)

SPPI testing combines a set of criteria, examined cumulatively, to establish whether contractual cash flows meet the characteristics of simple financing (principal repayments and interest payments on the remaining amount of principal due).

The test is satisfied when the financing gives entitlement only to the repayment of the principal and when the payment of interest received reflects the time value of money, the credit risk associated with the instrument, the other costs and risks of a conventional loan contract and a reasonable margin, whether the interest rate is fixed or variable.

In simple financing, interest represents the cost of the passage of time, the price of credit and liquidity risk over the period, and other components related to the cost of carrying the asset (*e.g.* administrative costs).

In some cases, when qualitative analysis of this nature does not allow a conclusion to be made, quantitative analysis (or benchmark testing) is carried out. This additional analysis consists of comparing the contractual cash flows of the asset under review with the cash flows of a benchmark asset.

If the difference between the cash flows of the financial asset and the benchmark asset is considered immaterial, the asset is deemed to be simple financing.

Moreover, specific analysis is conducted when the financial asset is issued by special purpose entities establishing a differentiated order of payment among the holders of the financial assets by contractually linking multiple instruments and creating concentrations of credit risk ("tranches").

Each tranche is assigned a rank of subordination that specifies the order of distribution of cash flows generated by the structured entity.

In this case, the SPPI test requires an analysis of the characteristics of contractual cash flows of the asset concerned and underlying assets according to the "look-through" approach and the credit risk borne by the tranches subscribed compared to the credit risk of the underlying assets.

The mode of recognition of debt instruments resulting from qualification of the business model combined with the SPPI test may be presented in the following diagram:

Debt instrument		Business models		
		Collect	**Collect and sell**	**Other/Sell**
SPPI test	**Passed**	Amortised cost	Fair value through other comprehensive income (items that can be reclassified)	Fair value through profit or loss
	Not passed	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss (SPPI test N/A)

Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the collection model and if they pass the SPPI test.

They are recorded at the settlement date and their initial valuation also includes accrued interest and transaction costs.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

This category of financial assets is impaired under the conditions described in the specific paragraph “Provisioning for credit risks".

Debt instruments at fair value through other comprehensive income (items that can be reclassified)

Debt instruments are measured at fair value through other comprehensive income on items that can be reclassified if they are eligible for the collect and sell model and if they pass the SPPI test.

They are recorded at the trade date and their initial valuation also includes accrued interest and transaction costs.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

These financial assets are subsequently measured at fair value, with changes in fair value recorded in other comprehensive income on items that can be reclassified and offset against the outstandings account (excluding accrued interest recognised in profit or loss according to the effective interest rate method).

If the securities are sold, these changes are transferred to the income statement.

This category of financial instruments is impaired under the conditions described in the specific paragraph “Provisions for credit risks” (without this affecting the fair value on the balance sheet).

Debt instruments at fair value through profit or loss

Debt instruments are measured at fair value through profit or loss in the following cases:

- the instruments are classified in portfolios composed of financial assets held for trading or for which the main objective is disposal.

  Financial assets held for trading are assets acquired or generated by the enterprise primarily with the aim of disposal in the short term or which are included in a portfolio of financial instruments managed as a unit and with the purpose of making a profit from short term price fluctuations or an arbitrage margin. Although contractual cash flows are received during the period that the Crédit Agricole Group holds the assets, the collection of these contractual cash flows is not essential but ancillary;
- debt instruments that do not fulfil the criteria of the SPPI test. This is notably the case of UCITS;
- financial instruments classified in portfolios which the Crédit Agricole group designates at fair value in order to reduce an accounting treatment difference on the income statement. In this case, the instrument is classified as designated at fair value through profit or loss.

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recorded to profit or loss) and including accrued interest.

They are subsequently measured at fair value and changes in fair value are recognised in profit or loss, under Revenues, offset against the outstandings account. interest on these instruments are recorded under “fair value through profit and loss”.

This category of financial assets is not impaired.

Debt instruments measured by definition at fair value through profit or loss are recorded on the settlement date.

Debt instruments designated at fair value through profit or loss are recorded on the trade date.

Equity instruments issued

Equity instruments are by default recognised at fair value through profit or loss, except in the case of the irrevocable option for classification at fair value through other comprehensive income on items that cannot be reclassified, providing that these instruments are not held for trading purposes.

Equity instruments at fair value through profit or loss

Financial assets measured at fair value through profit or loss are initially recognised at fair value, excluding transaction costs (directly recorded to profit or loss). They are recorded at the settlement date.

They are subsequently measured at fair value and changes in fair value are recognised in profit or loss, under Revenues, offset against the outstandings account.

This category of financial assets is not impaired.

Equity instruments at fair value through other comprehensive income on items that cannot be reclassified (irrevocable option)

The irrevocable option to recognise equity instruments at fair value through other comprehensive income on items that cannot be reclassified is adopted at the transactional level (line by line) and applies from the date of initial recognition. These securities are recorded at the trade date.

The initial fair value includes transaction costs.

During subsequent valuations, changes in fair value are recognised in other comprehensive income on items that cannot be reclassified. In case of disposal, these changes are not reclassified to profit or loss. The gain or loss on disposal is recognised in other comprehensive income.

Only dividends are recognised in profit or loss.

Reclassification of financial assets

In the case of a significant change in the business model used for managing financial assets (new activity, acquisition of entities, disposal or discontinuation of a significant activity), a reclassification of these financial assets is necessary. The reclassification applies to all financial assets in the portfolio from the date of reclassification.

In other cases, the business model remains unchanged for existing financial assets. If a new business model is identified, it applies prospectively to new financial assets grouped in a new management portfolio.

Temporary investments in/disposals of securities

Temporary disposals of securities (loans of securities, securities delivered under repurchase agreements) do not generally fulfil the conditions for derecognition.

Securities lent or sold under repurchase agreements remain on the balance sheet. In the case of securities under repurchase agreements, the amounts received, representing the liability to the transferee, are recognised on the liabilities side of the balance sheet by the transferor.

Securities borrowed or received under repurchase agreements are not recognised on the balance sheet of the transferee.

In the case of securities under repurchase agreements, a debt to the transferor is recorded on the balance sheet of the transferee and offset against the amount paid. If the security is subsequently resold, the transferee records a liability equivalent to the fair value of fulfilling their obligation to return the security received under the agreement.

Revenue and expenses relating to such transactions are posted to profit and loss on a *prorata temporis* basis, except in the case of classification of assets and liabilities at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or group of financial assets) is fully or partially derecognised if:

- the contractual rights to the cash flows from the financial asset expire;

- or are transferred or are deemed to have expired or been transferred because they belong de facto to one or more beneficiaries; and substantially all the risks and rewards of the financial asset are transferred.

In this case, any rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

If the contractual rights to the cash flows are transferred but some of the risks and rewards of ownership as well as control are retained, the financial assets continue to be recognised to the extent of the Group's continuing involvement in the asset.

Financial assets renegotiated for commercial reasons without financial difficulties of the counterpart with the aim of developing or keeping a commercial relation are derecognised at the date of the renegotiation. The new loans granted to customers are recorded at this date at their fair value on the date of renegotiation. Subsequent recognition depends on the business model and the SPPI test.

Interests paid by the Government (IAS 20)

Under French Government measures to support the agricultural and rural sector and to help home buyers, certain Crédit Agricole group entities grant subsidised loans at rates fixed by the Government. Consequently, the Government pays these entities the difference between the subsidised lending rate and a predetermined benchmark rate. Thus, the loans that benefit from these subsidies are granted at market rates.

The subsidy system is periodically reviewed by the Government.

In accordance with IAS 20, subsidies received from the Government are recorded in profit or loss under Interest and similar income and spread over the life of the corresponding loans.

Overlay approach applicable to insurance activities

The Crédit Agricole group uses the overlay approach for financial assets held for the purposes of an activity related to insurance contracts, which are designated in accordance with the option offered by the amendments to IFRS 4 "Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts'", published by the IASB in September 2016.

This approach aims to remedy the temporary accounting consequences of the discrepancy between the date of entry into force of IFRS 9 and that of the new standard on insurance contracts replacing IFRS 4 (IFRS 17). This has the effect of eliminating from the income statement part of the additional accounting mismatch and the temporary volatility which could be caused by application of IFRS 9 before the entry into force of IFRS 17.

Eligible financial assets are designated instrument by instrument, and this may be done:

- at 1 January 2018, during the initial application of IFRS 9; or
- subsequently, but only at the time of the initial recognition of the assets in question.

In application of the overlay approach, the Crédit Agricole group reclassifies, for designated financial assets only, their impact in the income statement under other comprehensive income such that the amount presented in the income statement corresponds to that which would have been presented in the income statement if IAS 39 had been applied.

Consequently, the amount reclassified is equal to the difference between:

- the amount presented in net income under IFRS 9 for designated financial assets; and
- the amount that would have been presented in net income for designated financial assets if the insurer had applied IAS 39.

In the income statement, the effects of this reclassification are recognised in revenues, before tax effects, on the line "Reclassification of net gains or losses on financial assets related to the overlay approach". The tax effects related to this reclassification are presented on the line "Income tax charge".

In the statement of other comprehensive income, the effects of this reclassification are recognised as net gains and losses recognised directly in other comprehensive income (items that can be reclassified) on the line "Reclassification of net gains or losses on financial assets related to the overlay approach".

The financial assets that may be designated must fulfil the following characteristics:

- they are held by insurers within the Group for purposes of the insurance activity;
- they are measured at fair value through profit or loss under IFRS 9 but would not have been measured in this way under IAS 39; they are financial assets which, under IAS 39 would have been recognised at amortised cost (assets held to maturity, loans and receivables) or at fair value through other comprehensive income (available-for-sale financial assets).

Evaluation of the impact of the designated financial assets on the income statement

Pursuant to the overlay approach, the Crédit Agricole group continues to apply the accounting policies and principles that the Group applied under IAS 39 for the recognition of profit or loss from designated financial assets:

Financial assets at amortised cost under IAS 39

Financial assets at amortised cost are initially recognised at their initial fair value, including directly-attributable transaction costs and accrued interest.

They are subsequently measured at amortised cost with amortisation of any premium or discount and transaction costs using the corrected effective interest rate method.

Available-for-sale financial assets under IAS 39

Available-for-sale financial assets are initially recognised at initial fair value, including transaction costs that are directly attributable to the acquisition, and accrued interest.

Available-for-sale financial assets are later measured at fair value and subsequent changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred to the income statement.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in the income statement using the effective interest rate method.

Depreciation of designated financial assets under IAS 39

Impairment must be recognised when there is objective evidence of impairment resulting from one or more events occurring after the initial recognition of the financial asset.

Objective evidence of loss corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of significant deterioration in credit risk evidenced by a risk of non-recovery for debt securities.

For equity securities, Crédit Agricole group uses quantitative criteria as indicators of potential impairment. These quantitative criteria are mainly based on a loss of 30% or more of the value of the equity instrument over a period of six consecutive months. Crédit Agricole group may also take account of other factors such as financial difficulties of the issuer, or short term prospects, etc.

Notwithstanding the above-mentioned criteria, Crédit Agricole group recognises an impairment loss when there is a decline in the value of the equity instrument higher than 50% or prolonged over three years.

Financial liabilities

Classification and measurement of financial liabilities

Financial liabilities are classified on the balance sheet in the following two accounting categories:

- financial liabilities at fair value through profit or loss, either due to their nature or optionally;
- financial liabilities at amortised cost.

Financial liabilities at fair value through profit or loss due to their nature

Financial instruments issued primarily to be bought back in the short term, instruments forming part of an identified portfolio of financial instruments which are managed together and which have indications of a recent profile of short-term profit-taking, and derivatives (with the exception of certain hedging derivatives) are measured at fair value due to their nature.

Changes in the fair value of this portfolio are recognised through profit or loss.

Financial liabilities designated at fair value through profit or loss

Financial liabilities fulfilling one of the three conditions defined by the standard below may be designated for measurement at fair value through profit or loss: for hybrid issues comprising one or more separable embedded derivatives, in order to reduce or eliminate the distortion of accounting treatment, or in the case of groups of managed financial liabilities for which performance is measured at fair value.

This option is irrevocable and applies mandatorily from the date of initial recognition of the instrument.

During subsequent measurement, these financial liabilities are measured at fair value through profit or loss for changes in fair value not related to own credit risk and through other comprehensive income on items that cannot be reclassified for changes in value related to own credit risk, unless this aggravates an accounting mismatch.

Financial liabilities measured at amortised cost

All other liabilities fulfilling the definition of a financial liability (excluding derivatives) are measured at amortised cost.

These liabilities are initially measured at fair value (including transaction income and costs) and subsequently at amortised cost using the effective interest rate method.

Deposits and savings accounts

Deposits and savings accounts are recorded under the category “Financial liabilities at amortised cost – Due to customers” in spite of the characteristics of the collection system within the Crédit Agricole group, with deposits originating from the Regional Banks centralised at Crédit Agricole S.A. For the Group, the ultimate counterparty for these deposits is the end customer.

The deposits and savings are initially measured at fair value and subsequently at amortised cost.

Regulated savings products are by nature deemed to be at market rates.

Provisions are taken where necessary against home purchase savings plans and accounts as set out in Note 6.18 “Provisions”.

Reclassification of financial liabilities

The initial classification of financial liabilities is irrevocable. No subsequent reclassification is authorised.

Distinction between debt instruments and equity

Securities are classed as debt instruments or equity instruments based on the economic substance of the contractual terms.

A financial liability is a debt instrument if it includes a contractual obligation:

- to provide another entity with cash, another financial asset or a variable number of equity instruments; or
- to exchange financial assets and liabilities with another entity at potentially unfavourable conditions.

An equity instrument is a non-redeemable financial instrument which offers discretionary return representing a residual interest in a company after deduction of all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Treasury share buyback

Treasury shares or equivalent derivative instruments such as options on shares bought by the Crédit Agricole group with a fixed strike ratio, including shares held to cover stock option plans, do not meet the definition of a financial asset and are deducted from equity. They do not generate any impact on the income statement.

Derecognition and modification of financial liabilities

A financial liability is derecognised in full or in part:

- when it is extinguished; or
- when quantitative or qualitative analyses suggest it has undergone a substantial change following restructuring.

A substantial modification of an existing financial liability must be recorded as an extinction of an initial financial liability and the recognition of a new financial liability (novation). Any differential between the carrying amount of the extinct liability and the new liability will be recognised immediately in the income statement.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is recognised immediately in the income statement on the date of modification and is then spread, using the original effective interest rate, over the residual lifetime of the instrument.

Provisions for credit risks

Scope of application

In accordance with IFRS 9, the Crédit Agricole group recognises a correction for changes in value for expected credit losses (ECL) on the following outstandings:

- financial assets of debt instruments recognised at amortised cost or fair value through other comprehensive income (items that can be reclassified) (loans and receivables, debt securities);
- financing commitments which are not measured at fair value through profit or loss;
- guarantee commitments coming under IFRS 9 and which are not measured at fair value through profit or loss;
- rental receivables coming under IAS 17; and
- trade receivables generated by transactions under IFRS 15.

Equity instruments (at fair value through profit or loss or through other comprehensive income on items that cannot be reclassified) are not concerned by impairment provisions.

Derivative instruments and other instruments at fair value through profit or loss are subject to the calculation of counterparty risk which is not covered by the ECL model. This calculation is described in chapter “Risk factors and Pillar 3”.

Credit risk and provisioning stages

Credit risk is defined as risk of loss related to default by a counterparty leading to its inability to meet its commitments to the Group.

The process of provisioning credit risk has three stages (Buckets):

- Bucket 1: upon initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises the 12-month expected credit losses;
- Bucket 2: if the credit quality deteriorates significantly for a given transaction or portfolio, the entity recognises the losses expected to maturity;

- Bucket 3: when one or more default events have occurred on the transaction or on a counterparty with an adverse effect on the estimated future cash flows, the entity recognises incurred credit losses to maturity. Subsequently, if the conditions for classifying financial instruments in Bucket 3 are not met, the financial instruments are reclassified in Bucket 2, then in Bucket 1 according to the subsequent improvement in the quality of the credit risk.

Definition of default

The definition of default for the requirements of ECL provisioning is identical to that used in management and for the calculation of regulatory ratios. A debtor is, therefore, considered to be in default when at least one of the following conditions has been met:

- a payment generally more than ninety days past due, unless specific circumstances point to the fact that the delay is due to reasons independent of the debtor's financial situation;
- the entity believes that the debtor is unlikely to settle its credit obligations unless it avails itself of certain measures such as enforcement of collateral security right.

A loan in default (Bucket 3) is said to be impaired when one or more events occur which have a negative effect on the estimated future cash flows from this financial asset. Indications of impairment of a financial asset cover observable data on the following events:

- significant financial difficulties of the issuer or borrower;
- a breach of contract, such as default or overdue payment;
- the granting, by the lender(s) to the borrower, for economic or contractual reasons related to financial difficulties of the borrower, of one or more favours that the lender(s) would not have considered under other circumstances;
- the growing probability of bankruptcy or financial restructuring of the borrower;
- the disappearance of an active market for the financial asset due to financial difficulties;
- the purchase or creation of a financial asset with a significant discount, which reflects the credit losses suffered.

It is not necessarily possible to isolate a particular event. The impairment of the financial asset could result from the combined effect of several events.

On the Large Customers scope: the defaulting counterparty does not return to a sound situation until it has completely regularised the delay recorded and the other elements triggering the default (elimination of default for the parent company, elimination of an alert leading to default, etc.).

On the retail banking scope: loans in default only return to non-default status after full settlement of unpaid amounts.

Definition of expected credit loss ("ECL")

ECL is defined as the weighted expected probable value of the discounted credit loss (principal and interest). It represents the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).

The ECL approach is designed to anticipate as early as possible the recognition of expected credit losses.

ECL governance and measurement

The governance of the system for measuring IFRS 9 parameters is based on the structure implemented as part of the Basel framework. The Group's Risk Management Department is responsible for defining the methodological framework and supervising the loan loss provisioning system.

The Group primarily relies on the internal rating system and current Basel processes to generate the IFRS 9 parameters required to calculate ECL. The assessment of the change in credit risk is based on an expected loss model and extrapolation based on reasonable scenarios. All information that is available, relevant, reasonable and justifiable, including of a forward-looking nature, must be retained.

The formula includes the probability of default, loss given default and exposure at default parameters.

These calculations are broadly based on the internal models used as part of the regulatory framework, but with adjustments to determine an economic ECL. IFRS 9 recommends a Point in Time analysis while having regard to historical loss data and forward-looking macroeconomic data, whereas the prudential regulation uses Through the Cycle analysis for probability of default and Downturn analysis for Loss Given Default (LGD).

The accounting approach also requires the recalculation of certain Basel parameters, in particular to eliminate internal recovery costs or floors that are imposed by the regulator in the regulatory calculation of loss given default (LGD).

ECLs are calculated according to the type of product concerned, *i.e.* financial instruments or off-balance sheet instruments.

The expected credit losses for the coming 12 months make up a percentage of the lifetime expected credit losses, and represent the lifetime cash flow shortfalls in the event of a default during the 12 months following the reporting period (or a shorter period if the expected lifetime of the financial instrument is less than 12 months), weighted by the probability of default.

Expected credit losses are discounted at the effective interest rate used for the initial recognition of the financial instrument.

The IFRS 9 parameters are measured and updated in accordance with the methodologies defined by the Group and thus enable the establishment of a first benchmark provisioning level or shared base.

The terms of measurement of ECLs include collateral and other credit enhancements that are part of the contractual terms and which the entity does not account for separately. The estimate of the expected cash flow shortfalls from a guaranteed financial instrument reflects the amount and timing of the recovery of the guarantees. In accordance with IFRS 9, the inclusion of guarantees and sureties does not affect the assessment of the significant deterioration in credit risk: this is based on the evolution of the debtor's credit risk without taking into account guarantees. The models and parameters used are backtested at least annually.

Forward-looking macroeconomic data are taken into account in accordance with a methodological framework applicable at two levels:

- at Group level for the determination of a shared framework for the consideration of forward-looking data in the estimation of PD and LGD parameters over the transaction amortisation period;
- at the level of each entity in respect of its own portfolios.

Significant deterioration of credit risk

All Group entities must assess, for each financial instrument, the deterioration of credit risk from origination to each reporting date. Based on this assessment of the change in credit risk, the entities must classify their exposure into different risk categories (Buckets).

To assess significant deterioration, the Group employs a process based on two levels of analysis:

- the first level is based on absolute and relative Group criteria and rules that apply to all Group entities;
- the second level is linked to the expert assessment, based on local forward-looking information, of the risk held by each entity in its portfolios that may lead to an adjustment in the Group Bucket 2 reclassification criteria (switching a portfolio or sub-portfolio to ECL at maturity).

Each financial instrument is, without exception, assessed for significant deterioration. Contagion is not required for the downgrading of financial instruments of the same counterparty from Bucket 1 to Bucket 2. The significant deterioration assessment must consider the change in credit risk of the principal debtor without taking account of any guarantee, including for transactions with a shareholder guarantee.

Possible losses in respect of portfolios of small loans with similar characteristics may be estimated on a statistical basis rather than individually assessed.

To measure the significant deterioration of credit risk since initial recognition, it is necessary to look back at the internal rating and PD (probability of default) at origination.

Origination means the trading date, on which the entity became bound by the contractual terms of the financial instrument. For financing and guarantee commitments, origination means the date on which the irrevocable commitment was made.

In the absence of an internal rating model, Crédit Agricole group uses the absolute threshold of non-payment for over thirty days as the maximum threshold for significant deterioration and classification in Bucket 2.

For outstandings (with the exception of securities) for which internal rating systems are in place (in particular exposures monitored by authorised methods), Crédit Agricole group considers that all of the information incorporated into the rating systems allows for a more detailed assessment than the non-payment for over thirty days criterion alone.

If deterioration since origination is no longer observed, impairment may be reduced to 12-month expected credit losses (Bucket 1).

To make up for the fact that certain significant deterioration factors or indicators may not be identifiable at instrument level, the standard allows for the assessment of significant deterioration at financial instrument portfolio level, or for groups of portfolios or parts of portfolios.

Portfolios can be created for the collective assessment of deterioration for instruments that share common characteristics, such as:

- instrument type;
- credit risk rating (including internal Basel II rating for entities with an internal ratings system);
- collateral type;
- date of initial recognition;
- remaining term until maturity;
- business sector;
- geographical location of the borrower;
- the value of collateral relative to the financial assets, if this has an impact on the probability of default (for example, non-recourse loans in certain countries or loan-to-value ratios);
- distribution channel, purpose of financing, etc.

Differentiation of significant deterioration by market is therefore possible (home loans, consumer finance, loans to farmers or small businesses, corporate finance, etc.).

The grouping of financial instruments for the purposes of collective credit risk assessment may change over time, as new information becomes available.

For securities, Crédit Agricole group uses an approach that consists of applying an absolute level of credit risk, in accordance with IFRS 9, below which exposures are classified in Bucket 1 and provisions are made based on 12-month ECL.

As such, the following rules shall apply for monitoring the significant deterioration of securities:

- “Investment Grade” securities, at the reporting date, are classified in Bucket 1 and provisions are made based on 12-month ECL;
- “Non-Investment Grade” securities (NIG), at the reporting date, must be subject to monitoring for significant deterioration, since origination, and be classified in Bucket 2 (lifetime ECL) in the event of significant deterioration in credit risk.

Relative deterioration must be assessed prior to the occurrence of a known default (Bucket 3).

Restructuring due to financial difficulty

Debt instruments restructured due to financial difficulties are those for which the Group has amended the original financial terms (interest rate, term) for economic or legal reasons linked to the financial difficulties of the borrower, under conditions that would not have been considered under other circumstances. As such, these can be any debt instruments, regardless of the security’s credit risk deterioration category since initial recognition.

In accordance with the EBA (European Banking Authority) definition as stated in the “Risk Management” Chapter, loan restructuring corresponds to any amendments made to one or more credit agreements, as well as refinancings granted due to financial difficulties experienced by the client.

This definition of restructuring must be applied to each agreement and not at client level (no contagion).

The definition of loans restructured due to financial difficulty is therefore comprised of two cumulative criteria:

- amendments to agreements or loan refinancings;
- a client in financial difficulty.

“Amendments to agreements” cover the following example situations:

- there is a difference between the amended agreement and the former conditions of the agreement, to the benefit of the borrower;
- the amendments made to the agreement result in more favourable conditions for the borrower, from which other customers of the bank, with a similar risk profile and at the same time, do not benefit.

“Refinancings” cover situations in which a new debt is granted to the client to enable it to repay in full or in part another debt for which it cannot meet the contractual terms and conditions due to its financial position.

The restructuring of a loan (whether performing or in default) infers the presumed existence of a proven risk of loss (Bucket 3). The need to recognise impairment on the restructured exposure must therefore be analysed accordingly (a restructuring does not automatically result in the recognition of impairment for proven losses or classification as default).

The “restructured loan” classification is temporary.

Once the restructuring, as defined by the EBA, has been completed, the exposure maintains this "restructured" status for a minimum period of two years, if the exposure was normal at the time of restructuring, or a minimum period of three years if the exposure was in default at the time of the restructuring. These periods are extended in the event of the occurrence of certain events provided for by the Group's standards (*e.g.* further incidents).

In the absence of derecognition, the reduction of future cash flows granted to a counterparty, or the postponing of these flows as part of a restructuring, shall result in the recognition of a discount in the cost of risk.

It represents loss of future cash flow discounted at the original effective rate. Calculation of the restructuring discount. It is equal to the difference observed between:

- the carrying amount of the loan;
- and the sum of theoretical future cash flows from the "restructured" loan, discounted at at the original effective interest rate (defined at the date of the financing commitment).

In the event of a waiver of part of the share capital, this amount shall constitute a loss to be recorded immediately in cost of risk.

The discount recognised when a loan is restructured is accounted for under cost of risk.

Upon reversal of the discount, the portion associated with the passage of time is recorded in revenues.

Accounts uncollectible

When a loan is deemed uncollectible, *i.e.* when it cannot be recovered in full or in part, the amount deemed uncollectible must be derecognised from the balance sheet and written off.

The decision as to when to write off a loan is taken on the basis of an expert opinion. This must therefore be established by each entity, with its Risk Management Department, according to its own business knowledge. Before any write-offs, a Bucket 3 provision must be made (with the exception of assets at fair value through profit or loss).

For loans at amortised cost or fair value through other comprehensive income on items that can be reclassified, the amount written off is recorded under cost of risk (nominal amount) and revenues (interests).

Derivative financial instruments

Classification and measurement

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held-for-trading unless they can be considered to be hedging derivatives.

They are recorded on the balance sheet at their initial fair value on the trading date.

They are subsequently recognised at their fair value.

At the end of each reporting period, the counterparty of the change in fair value of derivatives on the balance sheet is recorded:

- through profit or loss for derivative instruments held-for-trading and for fair value hedges;
- through other comprehensive income for cash flow hedging derivatives and net investments in foreign operations for the effective portion of the hedge.

Hedge accounting

General framework

In accordance with a decision made by the Group, Crédit Agricole Group chooses not to apply the "hedge accounting" component of IFRS 9, as permitted by the standard. All hedging relationships will continue to be documented in accordance with the rules of IAS 39 until, at the latest, the date on which the macro-hedging text is adopted by the European Union.

However, the eligibility of financial instruments for hedge accounting under IAS 39 takes into account the IFRS 9 principles for the classification and measurement of financial instruments.

Under IFRS 9, and taking account of the IAS 39 hedging principles, debt instruments at amortised cost or fair value through other comprehensive income (items that may be reclassified) are eligible for fair value hedging and cash flow hedging.

Documentation

Hedging relationships must comply with the following principles:

- fair value hedges are intended to provide protection from exposure to changes in the fair value of an asset or a liability that has been recognised, or of a firm commitment that has not been recognised, attributable to the risk(s) hedged and that may have an impact on net income (for instance, the hedging of all or some changes in fair value caused by the interest rate risk of a fixed-rate debt);
- cash flow hedges are intended to provide protection from exposure to changes in the future cash flow of an asset or liability that has been recognised, or of a transaction considered to be highly probable, attributable to the risk(s) hedged and that could (in the event of a planned transaction not carried out) have an impact on net income (for instance, the hedging of changes in all or some of the future interest payments on a floating-rate debt);
- net investment hedges in foreign operations are intended to provide protection against the risk of unfavourable changes in fair value associated with the foreign exchange risk of an investment carried out abroad in a currency other than the euro, Crédit Agricole group's presentation currency.

Hedges must also meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the instrument hedged must be eligible;
- there must be formal documentation from inception, primarily including the individual identification and characteristics of the hedged item, the hedging instrument, the nature of the hedging relationship and the nature of the hedged risk;
- the effectiveness of the hedge must be demonstrated, at inception and retrospectively, by testing at each reporting date.

For interest rate hedges for a portfolio of financial assets or financial liabilities, Crédit Agricole group documents the hedging relationship for fair value hedges in accordance with the carve-out version of IAS 39 as adopted by the European Union. In particular:

- the Group documents these hedging relationships based on its gross position in derivative instruments and hedged items;
- the effectiveness of the hedging relationships is measured by maturity schedules.

Further details on the Group's risk management strategy and its application are presented in Chapter "Risk factors and Pillar 3".

Measurement

The remeasurement of the derivative at fair value is recorded in the financial statements as follows:

- fair value hedges: the change in value of the derivative is recognised in the income statement symmetrically with the change in value of the hedged item in the amount of the hedged risk. Only the net amount of any ineffective portion of the hedge is recognised in the income statement;
- cash flow hedges: the change in value of the derivative is recognised in the balance sheet through a specific account in other comprehensive income (items that may be reclassified) for the effective portion and any eventual ineffective portion of the hedge is recognised in the income statement. Profits or losses on the derivative accrued through other comprehensive income are reclassified to profit or loss when the hedged cash flows occur;
- hedges of net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet in the translation

adjustment equity account (items that may be reclassified) and any ineffective portion of the hedge is recognised in the income statement.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedges: only the hedging instrument continues to be revalued through profit or loss. The hedged item is wholly accounted for according to its classification. For debt instruments at fair value through other comprehensive income (items that may be reclassified), changes in fair value subsequent to the ending of the hedging relationship are recorded in other comprehensive income in their entirety. For hedged items valued at amortised cost, which were interest rate hedged, the revaluation adjustment is amortised over the remaining life of those hedged items;
- cash flow hedges: the hedging instrument is valued at fair value through profit or loss. The amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income until the hedged element affects profit or loss. For interest rate hedged instruments, income statement is affected according to the payment of interest. The revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedges of net investment in a foreign operation: the amounts accumulated in other comprehensive income under the effective portion of the hedging remain in other comprehensive income as long as the net investment is held. The income is recorded once the net investment in a foreign operation exits the scope of consolidation.

Embedded derivatives

An embedded derivative is a component of a hybrid contract that meets the definition of a derivative product. This definition applies only to financial liabilities and non-financial contracts. Embedded derivatives must be accounted for separately from the host contract if the following three conditions are met:

- the hybrid contract is not measured at fair value through profit or loss;
- the embedded component taken separately from the host contract has the characteristics of a derivative;
- the characteristics of the derivative are not closely related to those of the host contract.

Determination of the fair value of financial instruments

When determining the fair value of financial instruments observable inputs must be prioritised. It is presented using the hierarchy defined in IFRS 13.

IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants, on the principal or the most advantageous market, at the measurement date.

Fair value applies individually to each financial asset or financial liability. A portfolio exemption may be used where the management and risk monitoring strategy so allow and are appropriately documented. Thus, certain fair value parameters are calculated on a net basis when a group of financial assets and financial liabilities is managed on the basis of its net exposure to market or credit risks. This is notably the case for the CVA/DVA calculation described in Chapter “Risks and Pillar 3”.

The Group considers that the best evidence of fair value is reference to quoted prices published in an active market.

When such quoted prices are not available, fair value is determined using valuation techniques that maximise the use of relevant observable data and minimise the use of unobservable data.

When a debt is valued at fair value through profit or loss (by nature or designated), fair value takes account of the own credit risk of the issuer.

Fair value of structured issues

In accordance with IFRS 13, the Group values its structured issues, recognised at fair value, by taking as a reference the issuer spread that specialist participants agree to receive to acquire new Group issues.

Counterparty risk on derivative instruments

The Group incorporates into fair value the assessment of counterparty risk for derivative assets (Credit Valuation Adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (Debit Valuation Adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole group, and DVA, the expected losses due to Crédit Agricole group from the perspective of the counterparty.

The CVA/DVA is calculated on the basis of an estimate of expected losses based on the probability of default and loss given default. The methodology used maximises the use of observable market inputs. It is primarily based on market data such as registered and listed CDS (or Single Name CDS) or index CDS in the absence of registered CDS on the counterparty. In certain circumstances, historical default data may also be used.

Fair value hierarchy

The standard classifies fair value into three levels based on the observability of inputs used in valuation techniques.

Level 1: fair value corresponding to quoted prices (unadjusted) in active markets

Level 1 is composed of financial instruments that are directly quoted in active markets for identical assets and liabilities that the entity can access at the measurement date. These are stocks and bonds quoted in active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange, etc.) and also fund securities quoted in an active market and derivatives traded on an organised market, in particular futures.

A market is regarded as being active if quoted prices are readily and regularly available from an exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm’s length basis.

For financial assets and liabilities with offsetting market risks, Crédit Agricole group uses mid-prices as a basis for establishing fair values for the offsetting risk positions. The Group applies the current asking price to open short positions and the current bid price to open long positions.

Level 2: fair value measured using directly or indirectly observable inputs other than those in Level 1

The inputs used are observable either directly (*i.e.* prices) or indirectly (derived from prices) and generally consist of data from outside the Company, which are publicly available or accessible and based on a market consensus.

Level 2 is composed of:

- stocks and bonds quoted in an inactive market or not quoted in an active market but for which the fair value is established using a valuation methodology usually used by market participants (such as discounted cash flow techniques or the Black & Scholes model) and based on observable market data;

- instruments that are traded over the counter, the fair value of which is measured with models using observable market data, *i.e.* derived from various independently available external sources which can be obtained on a regular basis. For example, the fair value of interest rate swaps is generally derived from the yield curves of market interest rates as observed at the reporting date.

When the models are consistent notably with standard models based on observable market data (such as interest rate yield curves or implied volatility surfaces), the day one gain or loss resulting from the initial fair value measurement of the related instruments is recognised in profit or loss at inception.

Level 3: fair value that is measured using significant unobservable inputs

For some complex instruments that are not traded in an active market, fair value measurement is based on valuation techniques using assumptions that cannot be observed on the market for an identical instrument. These instruments are disclosed within Level 3.

This mainly concerns complex interest rate instruments, equity derivatives, structured credit instruments for which fair value measurement includes, for instance, correlation or volatility inputs that are not directly benchmarkable with market data.

The transaction price is deemed to reflect the fair value at initial recognition, any recognition of day one gain or loss is deferred.

The margin relating to these structured financial instruments is generally recognised through profit or loss over the period during which inputs are deemed unobservable. When market data become "observable", the remaining margin to be deferred is immediately recognised in profit or loss.

Valuation methodologies and models used for financial instruments that are disclosed within Levels 2 and 3 incorporate all factors that market participants would consider in setting a price. They shall be beforehand validated by an independent control. Fair value measurement notably includes both liquidity risk and counterparty risk.

Offsetting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole group nets a financial asset and a financial liability and reports the net amount when, and only when, it has a legally enforceable right to offset the amounts reported and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The derivative instruments and the repurchase agreements handled with clearing houses that meet the two criteria required by IAS 32 have been offset on the balance sheet.

Net gains (losses) on financial instruments

Net gains (losses) on financial instruments at fair value through profit or loss

For financial instruments recognised at fair value through profit or loss, this item notably includes the following income statement elements:

- dividends and other revenues from equities and other variable-income securities which are classified under financial assets at fair value through profit or loss;
- changes in fair value of financial assets or liabilities at fair value through profit or loss;
- gains and losses on disposal of financial assets at fair value through profit or loss;
- changes in fair value and gains and losses on disposal or termination of derivative instruments not included in a fair value hedging relationship or cash flow hedge.

This heading also includes the ineffective portion of hedges.

Net gains (losses) on financial instruments at fair value through other comprehensive income

For financial assets recognised at fair value through other comprehensive income, this item notably includes the following income statements elements:

- dividends from equity instruments classified as financial assets at fair value through other comprehensive income that cannot be reclassified;
- gains (losses) on disposals and income associated with the termination of hedging relationships on debt instruments classified as financial assets at fair value through other comprehensive income that can be reclassified;
- net income on disposals or associated with the termination of fair value hedging instruments of financial assets at fair value through other comprehensive income when the hedged item is sold.

Financing commitments and guarantees given

Financing commitments that are not designated as fair value through profit or loss or not treated as derivative instruments within the meaning of IFRS 9 are not recognised on the balance sheet. They are, however, covered by provisions in accordance with the provisions of IFRS 9.

A financial guarantee contract is a contract under which the issuer must make specific payments to reimburse the holder for a loss incurred due to a specific debtor's failure to make a payment when due under the initial or amended terms of a debt instrument.

Financial guarantee contracts are recognised at fair value initially then subsequently at the higher of:

- the value adjustment amount for losses determined in accordance with the provisions of the "Impairment" section of IFRS 9; or
- the amount originally recognised less, where applicable, the sum of income recognised in accordance with the principles of IFRS 15 "Revenue from Contracts with Customers".

Provisions (IAS 37 and 19)

Crédit Agricole group has identified all obligations (legal or constructive) resulting from a past event for which it is probable that an outflow of resources will be required to settle the obligation, and for which the due date or amount of the settlement is uncertain but can be reliably estimated. These estimates are discounted where applicable whenever there is a material impact.

For obligations other than those related to credit risk, Crédit Agricole group has set aside general provisions to cover:

- operational risks;
- employee benefits;
- commitment execution risks;
- claims and liability guarantees;
- tax risks (excluding income tax);
- risks related to home purchase savings schemes.

The latter provision is designed to cover the Group's obligations in the event of unfavourable moves impacting home purchase savings schemes. These obligations are: (i) to pay a fixed interest rate on the savings contract determined at inception for an undefined period of time; and (ii) to grant a loan to home purchase savings plan and account savers at a rate fixed at inception of the contract. The provision is calculated for each generation of home purchase savings plan and for all home purchase savings accounts, with no netting of obligations between generations.

The amount of these obligations is calculated taking account notably of:

- subscriber behaviour models, based on assumptions regarding subscriber behaviour drawn from historical experience, which may not necessarily reflect actual trends in future behaviour;
- an estimate of the amount and term of the loans that will be granted in the future, based on historical experience over an extended period of time;
- the yield curve for market rates and reasonably foreseeable trends.

Certain estimates may be made to determine the amount of the following provisions:

- the provision for operational risks, which although subject to examination for identified risks, requires Management to make assessments with regard to incident frequency and the potential financial impact;
- the provision for legal risks, which is based on Management's best estimate in light of the information in its possession at the end of the reporting period.

Detailed information is provided in Note 6.18 "Provisions".

Employee benefits (IAS 19)

In accordance with IAS 19, employee benefits are recorded in four categories:

- short-term employee benefits, including salaries, social security contributions, annual leave, profit-sharing and incentive plans and premiums, are defined as those which are expected to be settled within 12 months of the period in which the related services have been rendered;
- post-employment benefits falling into two categories: defined-benefit schemes and defined-contribution schemes;
- long-term employee benefits (long-service awards, variable compensation and premium payable 12 months or more after the end of the period);
- severance payments.

Post-employment benefits

Defined-benefit plans

At each reporting date, Crédit Agricole group sets aside reserves to cover its liabilities for retirement and similar benefits and all other employee benefits falling in the category of defined-benefit plans.

In keeping with IAS 19, these commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the Projected Credit Units method. Under this method, for each year of service, a charge is booked in an amount corresponding to the employee's vested benefits for the period. The charge is calculated based on the discounted future benefit.

Liabilities for retirement and other future employee benefits are based on assumptions made by Management with respect to the discount rate, staff turnover rate and probable increases in salary and social security costs. If the actual figures differ from the assumptions made, the retirement liability may increase or decrease in future years (see Note 7.4 "Post-employment benefits, defined-benefit plans").

Discount rates are determined based on the average term of the commitment, that is, the arithmetical average of the terms calculated between the valuation date and the payment date weighted by employee turnover assumptions.

The anticipated return on plan assets is also estimated by Management. Returns are estimated on the basis of expected returns on fixed income securities, and notably bond yields.

The expected return on plan assets is determined using discount rates applied to measure the defined benefit obligation.

The amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at the end of the reporting period, calculated in accordance with the actuarial method recommended by IAS 19;
- if necessary, reduced by the fair value of the assets allocated to covering these commitments. These may be represented by an eligible insurance policy. In the event that 100% of the obligation is covered by a policy that meets exactly the expense amount payable over the period for all or part of a defined-benefit plan, the fair value of the policy is deemed to be the value of the corresponding obligation, (*i.e.* the amount of the corresponding actuarial liability). In accordance with IAS 19 revised all actuarial gains or losses are recognised in other comprehensive income.

For such obligations that are not covered, a provision for retirement benefits is recognised under Provisions on the liabilities side of the balance sheet. This provision is equal to Crédit Agricole group's liabilities towards employees in service at financial year-end, governed by the Crédit Agricole group collective agreement that came into effect on 1 January 2005.

A provision to cover the cost of early retirement commitments is also listed under Provisions. This provision covers the additional discounted cost of the various early retirement agreements signed by Crédit Agricole group entities under which employees of eligible age may take early retirement.

Lastly, certain Group companies are liable to pay supplementary retirement benefits. A provision is calculated on the basis of the Company's actuarial liability for these benefits. These provisions are also shown on the liabilities side of the balance sheet under Provisions.

Defined contribution plans

Employers contribute to a variety of compulsory pension schemes. Pension schemes assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds managed do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, Crédit Agricole group has no liabilities in this respect other than its on-going contributions.

Other long-term benefits

Other long-term benefits are employee benefits other than post-employment benefits or termination benefits but not fully due to employees within 12 months after the end of the period in which the related services have been rendered.

These include, in particular, bonuses and other deferred compensation payable 12 or more months after the end of the period in which they were earned, but which are not share-based.

The measurement method is similar to the one used by the Group for post-employment benefits with defined-benefit schemes.

Share-based payments (IFRS 2)

IFRS 2 on "Share-based payment" requires valuation of share-based payment transactions in the Company's income statement and balance sheet. This standard applies to transactions with employees and more specifically to:

- share-based payment transactions settled in equity instruments;
- share-based payment transactions settled in cash.

Share-based payment plans initiated by Crédit Agricole group that are eligible for IFRS 2 are mainly transactions settled in equity instruments (stock options, free share allocation plans, variable compensation settled in indexed cash or in shares, etc.).

Options granted are measured at their fair value on the date of grant primarily using the Black & Scholes model. These options are recognised as a charge under Employee expenses, with a corresponding adjustment to equity, spread over the vesting period (four years for existing plans).

Employee share issues offered to employees as part of the Employee savings plans are also subject to the IFRS 2 standard. Shares may be offered to employees with a maximum discount of 20%. These plans have no vesting period but the shares are subject to a lock-up period of five years. The benefit granted to employees is measured as the difference between the fair value per share acquired taking account of the lock-up period and the purchase price paid by the employee on the subscription date multiplied by the number of shares subscribed.

A more detailed description of the method, existing plans and valuation methods is provided in Note 7.6 "Share-based payments".

The cost of share based payments settled in Crédit Agricole S.A. equity instruments and the cost of share subscriptions are recognised in the financial statements of the entities that employ the plan beneficiaries. The impact is recorded under Employee expenses, with a corresponding increase in Consolidated reserves-Group share.

Current and deferred taxes (IAS 12)

In accordance with IAS 12, the income tax charge includes all income taxes, whether current or deferred.

IAS 12 defines current tax liability as "the amount of income tax payable (recoverable) in respect of the taxable profit (tax loss) for a reporting period". Taxable income is the profit (or loss) for a given accounting period measured in accordance with the rules determined by the tax authorities.

The applicable rates and rules used to measure the current tax liability are those in effect in each country where the Group's companies are established.

The current tax liability includes all taxes on income, payable or recoverable, for which payment is not subordinated to the completion of future transactions, even if payment is spread over several years.

The current tax liability must be recognised as a liability until it is paid. If the amount that has already been paid for the current year and previous years exceeds the amount due for these years, the surplus must be recognised under assets.

Moreover, certain transactions carried out by the entity may have tax consequences that are not taken into account in measuring the current tax liability. IAS 12 defines a difference between the carrying amount of an asset or liability and its tax base as a temporary difference.

This standard requires that deferred taxes be recognised in the following cases:

- a deferred tax liability should be recognised for any taxable temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, unless the deferred tax liability arises from:
  - initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and that does not affect either the accounting or the taxable profit (taxable loss) at the transaction date;
- a deferred tax asset should be recognised for any deductible temporary differences between the carrying amount of an asset or liability on the balance sheet and its tax base, insofar as it is deemed probable that a future taxable profit will be available against which such deductible temporary differences can be allocated;
- a deferred tax asset should also be recognised for carrying forward unused tax losses and tax credits insofar as it is probable that a future taxable profit will be available against which the unused tax losses and tax credits can be allocated.

The tax rates applicable in each country are used as appropriate.

Deferred taxes are not discounted.

Taxable unrealised gains on securities do not generate any taxable temporary differences between the carrying amount of the asset and the tax base. As a result, deferred tax is not recognised on these gains. When the relevant securities are classified financial assets at fair value through other comprehensive income, unrealised gains and losses are recognised directly through other comprehensive income. The tax charge or saving effectively borne by the entity arising from these unrealised gains or losses is reclassified as a deduction from these gains.

In France long-term capital gains on the sale of equity investments, as defined by the General Tax Code, are exempt to tax; with the exception of 12% of long-term capital gains that are taxed at the normally applicable rate. Accordingly, unrealised gains recognised at the end of the year generate a temporary difference requiring the recognition of deferred tax on this share.

Under IFRS 16 "Leases", a deferred tax liability is recognised on the right of use and a deferred tax asset on the rental debt for leases for which the Group is a lessee.

Current and deferred tax is recognised in net income for the financial year, unless the tax arises from:

- either a transaction or event that is recognised directly through other comprehensive income, during the same year or during another year, in which case it is directly debited or credited to other comprehensive income;
- or a business combination.

Deferred tax assets and liabilities are offset against each other if, and only if:

- the entity has a legally enforceable right to offset current tax assets against current tax liabilities; and
- the deferred tax assets and liabilities apply to income taxes assessed by the same tax authority:
  - **a)** either for the same taxable entity, or
  - **b)** for different taxable entities that intend either to settle current tax assets and liabilities on a net basis, or to settle their tax assets and liabilities at the same time during each future financial year in which it is expected that substantial deferred tax assets or liabilities will be paid or recovered.

Tax risks relating to income tax result in the recognition of a current tax receivable or liability when the probability of receiving the asset or paying the liability is considered more likely than not.

When tax credits on income from securities portfolios and amounts receivable are effectively used to pay income tax due for the year, they are recognised under the same heading as the income with which they are associated. The corresponding tax charge continues to be recognised under the Income tax charge heading in the income statement.

Treatment of fixed assets (IAS 16, 36, 38 and 40)

Crédit Agricole Group applies component accounting for all of its property, plant and equipment. In accordance with the provisions of IAS 16, the depreciable amount takes account of the potential residual value of property, plant and equipment.

Land is measured at cost less any impairment losses.

Property used in operations, investment property and equipment are measured at cost less accumulated depreciation and impairment losses since the time they were placed in service.

Purchased software is measured at acquisition cost less accumulated depreciation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated depreciation and impairment losses since completion.

Apart from software, intangible assets are mainly assets acquired during a business combination resulting from contractual rights (*e.g.* distribution agreement). These were valued on the basis of corresponding future economic benefits or expected service potential.

Fixed assets are depreciated over their estimated useful lives.

The following components and depreciation periods have been adopted by Crédit Agricole group following the application of the measures on component accounting for property, plant and equipment. These depreciation periods are adjusted according to the type of asset and its location:

Component	Depreciation period
Land	Not depreciable
Structural works	30 to 80 years
Non-structural works	8 to 40 years
Plant and equipment	5 to 25 years
Fixtures and fittings	5 to 15 years
Computer equipment	4 to 7 years
Special equipment	4 to 5 years

Exceptional depreciation charges corresponding to tax-related depreciation and not to any real impairment in the value of the asset are eliminated in the consolidated financial statements.

Foreign currency transactions (IAS 21)

On the reporting date, assets and liabilities denominated in foreign currencies are translated into euros, the Crédit Agricole Group's operating currency.

In accordance with IAS 21, a distinction is made between monetary (*e.g.:* debt instruments) and non-monetary items (*e.g.:* equity instruments).

Foreign-currency denominated monetary assets and liabilities are translated at the closing rate. The resulting translation adjustments are recorded in the income statement. There are three exceptions to this rule:

- for debt instruments at fair value through other comprehensive income that can be reclassified, only the translation adjustments calculated on amortised cost are taken to the income statement; the balance is recorded in other comprehensive income that can be reclassified;
- translation adjustments on elements designated as cash flow hedges or forming part of a net investment in a foreign entity are recognised in other comprehensive income that can be reclassified;
- for financial liabilities designated at fair value through profit or loss, translation adjustments related to value changes attributable to own credit risk accounted in other comprehensive income (items than cannot be reclassified).

Non-monetary items are treated differently depending on the type of items:

- items at historical cost are measured at the foreign exchange rate on the transaction date (historical rate);
- items at fair value are measured at the foreign exchange rate at the end of the reporting period.

Translation adjustments on non-monetary items are recognised:

- in the income statement if the gain or loss on the non-monetary item is recorded in the income statement;
- in other comprehensive income that cannot be reclassified if the gain or loss on the non-monetary item is recorded in other comprehensive income that cannot be reclassified.

Revenues from contracts with customers (IFRS 15)

Fee and commission income and expenses are recognised in income based on the nature of services with which they are associated.

Fees and commissions that are an integral part of the effective yield on a financial instrument are recognised as an adjustment to the yield on the instrument and included in its effective interest rate.

The recognition of other types of fees and commissions on the income statement must reflect the rate of transfer to the customer of control of the goods or services sold:

- the net income from a transaction associated with the provision of services is recognised under "Fee and commission income" at the time of transfer of control of the service to the customer, if this can be reliably estimated. This transfer may occur as the service is provided (ongoing service) or on a specific date (one-off service);
- fee and commission income from ongoing services (fees and commissions on payment instruments, for example) is recognised in income according to the degree of progress of the service provided;
- fee and commission income paid or received as compensation for one-off services is recognised in income, in its entirety, when the service is provided.

Fee and commission income payable or receivable and contingent upon the achievement of a performance target is recognised for the amount at which it is highly probable that the income thus recognised will not later be subject to a significant downward adjustment upon resolution of the contingency. These estimates are updated at the end of each reporting period. In practice, this condition can result in the deferred recognition of certain items of performance-related fee and commission income until the expiry of the performance assessment period and until such income has been definitively acquired.

Insurance contracts (IFRS 4)

Liabilities remain partially valued under French GAAP, as permitted by IAS and IFRS regulations, pending further amendments to the existing standards. Financial assets held by Crédit Agricole group's insurance companies have been reclassified into the financial assets categories set out in IFRS 9.

The technical reserves of non-life insurance contracts include

- reserves for claims, to cover the total cost of claims incurred but not yet paid should they be already subject of a claim and assessed or not; and
- reserves relating to the acquisition of premiums (mainly provisions for unearned premiums), allowing for the recognition of premiums relating to risks hedged over the course of a financial year as earnings for said year, and therefore to carry forward the portion of premiums written over the course of the year for a risk hedging period subsequent to the current financial year.

The mathematical provisions of life insurance contracts and financial contracts containing discretionary participation features correspond to the difference between the current value of insurer commitments and policyholder commitments. Provisions are calculated using actuarial methods that include assumptions pertaining to the premiums, the performance of financial assets, contract redemption rates and changes in operating expenses.

Contracts containing discretionary participation features are collectively classified as a liability under insurance company's technical reserves. They are recognised in the same way as insurance contracts. Premiums on these contracts are recognised as income and the increase in obligations to policyholders is recognised as an expense.

Life insurance technical reserves are conservatively estimated based on the technical rates defined in the contracts. Liabilities associated with contracts with or without discretionary participation features or minimum guarantee are measured based on the fair value of the underlying assets or its equivalent at the end of the reporting period and are recorded under financial liabilities.

The financial margin on these policies is taken to profit or loss, after reversal of technical items (premiums, benefits, etc.), according to deposit accounting principles.

Property and casualty insurance policy liabilities are estimated at the end of the reporting period, without applying any discount. Claims management costs associated with technical reserves are charged to a provision in the financial statements at the reporting date.

For non-life insurance contracts, acquisition costs are recognised as and when the premium is earned. For life insurance contracts, directly identifiable acquisition costs are deferred over the profit generation period.

Total expenses related to the insurance business are presented in Note 4.5 "Net income (expenses) on other activities".

Insurance or investment contracts with discretionary participation in profits are subject to "shadow accounting" in accordance with the option offered by IFRS 4. This shadow accounting consists of recording the portion of positive or negative revaluations of the financial assets backing these contracts in a policyholders' deferred profit sharing item, and of certain consolidation adjustments (*e.g.* elimination of the provision for liquidity risk) that may potentially accrue to policyholders.

In addition, CRC Regulation 2000-05 provides for the recognition of deferred profit sharing, which must be recognised in the case of deferred profit sharing liabilities and for their recoverable amount in the case of deferred profit sharing assets.

This policyholders' deferred profit sharing is recognised as a liability "Insurance contract technical reserves" or as an asset, with a corresponding entry in income statement or other comprehensive income similar to the unrealised gains and losses on the assets to which it relates.

With regard to savings contracts, the policyholders' deferred profit sharing rate is assessed prospectively on the basis of scenarios studied that are consistent with the insurance company's management guidelines. It is only updated if it varies significantly.

In the event of a net unrealised loss, a deferred profit sharing asset is only recognised if it is highly probable that it will be allocated, by entity, to future profit sharings. This is especially the case if this deferred profit sharing asset can be deducted from future policyholder sharings, either directly by deducting it from the deferred profit sharing liabilities recorded for future disposal profits, or indirectly by being recoverable from future sums paid to policyholders.

The recoverability tests implemented in the event of a deferred profit sharing asset are in accordance with the CNC recommendation of 19 December 2008. They are based:

- firstly, on liquidity analyses of the company, which show the company's capacity to access funding sources to meet its obligations and its ability to hold assets with unrealised losses even if new production declines. The tests were performed with and without new production;
- secondly, on a comparison between the average value of future services measured by the internal model replicating the company's management decisions and the value of the assets representing the obligations at market value. This shows the company's ability to meet its obligations.

Lastly, sensitivity tests on the ability to activate the deferred profit sharing are also carried out:

- in the event of a uniform increase in redemptions applied to redemption rates drawn from scenarios similar to those used by the French Regulatory and Resolution Supervisory Authority;
- or on a further decline in the equity and real estate markets.

In accordance with IFRS 4, at each reporting date, the Group also ascertains that insurance liabilities (net of deferred acquisition costs and associated intangible assets) are adequate to meet estimated future cash flows.

The liability adequacy test used to verify this must meet the following minimum requirements, as defined in the standard:

- it must consider all future contractual cash flows, including associated management costs, fees and commissions as well as options and guarantees implicit in these contracts;
- if the test shows that the liability is inadequate, it is wholly recognised in profit or loss.

Lease (IFRS 16)

The Group may be the lessor or lessee of a lease.

Leases for which the Group is the lessor

Leases are analysed in accordance with their substance and financial reality. They are classified as finance leases or operating leases.

- In the case of finance leases, they are considered equivalent to a fixed asset sale to the lessee financed by a credit granted by the lessor. The analysis of the economic substance of finance leases leads the lessor to:
  - **a)** remove the leased asset from the balance sheet;
  - **b)** record a financial receivable for the customer under "financial assets at amortised cost" for a value equal to the present value at the contract's implicit rate of the rental payments due to the lessor under the lease, plus any non-guaranteed residual value owed to the lessor;

c) recognise deferred taxes for temporary differences relating to the financial receivable and the net carrying value of the leased asset;

d) break down the rental income into interest and amortised capital.

- In the case of operating leases, the lessor recognises the leased assets under “property, plant & equipment” on the assets side of its balance sheet and records the rental income on a straight-line basis under “income from other activities” in the income statement.

Leases for which the Group is the lessee

Leases are recognised in the balance sheet on the date on which the leased asset is made available. The lessee records an asset representing the right of use of the leased asset under “Property, plant & equipment” over the estimated term of the contract and a liability representing the rental payment obligation under “sundry liabilities” over the same term.

The lease period of a contract corresponds to the non-cancellable term of the lease adjusted for the contract extension options that the lessee is reasonably certain to exercise and the termination option that the lessee is reasonably certain not to exercise.

In France, the term used for the “3/6/9” commercial leases is generally nine years with an initial non-cancellable period of three years.

The lease liability is recognised for an amount equal to the present value of the rental payments over the term of the contract. Rental payments include fixed rents, variable rents based on a rate or index, and payments that the lessee expects to pay as residual value guarantees, purchase options or early termination penalties. Variable rents that are not based on an index or a rate and the non-deductible VAT on rents are excluded when calculating the debt and are recognised under “operating expenses”.

The discount rate applicable to the calculation of the right-of-use asset and the lease liability is, by default, the lessee’s marginal rate of indebtedness over the term of the contract on the date of signature of the contract, when the implicit rate cannot easily be established.

The marginal indebtedness rate takes account of the rent payment structure.

The right of use of the asset is valued at the initial value of the lease liability plus the initial direct costs, advance payments and restoration costs minus any lease inducement benefits. It is amortised over the estimated term of the lease.

The lease expense is broken down into interest and amortisation of capital.

The lease liability and the right of use may be adjusted in the event of amendment to the lease, re-estimation of the lease period or rent review related to the application of indices or rates.

Deferred taxes are recognised as temporary differences in right-of-use and rental liabilities by the lessee.

In accordance with the exception set out in the standard, short-term leases (initial term of less than 12 months) and leases for which the new value of the leased asset is low are not recognised on the balance sheet; the corresponding leasing expenses are recorded on a straight-line basis in the income statement under “operating expenses”.

In accordance with the standard, the Group does not apply IFRS 16 to leases of intangible assets.

Non-current assets held for sale and discontinued operations (IFRS 5)

A non-current asset (or a disposal group) is classified as held-for-sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition and its sale must be highly probable.

The relevant assets and liabilities are shown separately on the balance sheet under “Non-current assets held for sale and discontinued operations” and “Liabilities associated with non-current assets held for sale and discontinued operations”.

A non-current asset (or disposal group) classified as held-for-sale is measured at the lower of its carrying amount and fair value less costs of sale. In case of unrealised losses, impairment is recognised in the income statement. Non current assets are no longer amortised when they are reclassified.

If the fair value of a group held for sale less selling costs is less than its carrying amount after impairment of non-current assets, the difference is allocated to other group held for sale assets including the financial assets and is recognised under net profit after tax from discontinued operations.

A discontinued operation is a component that the Group has either disposed of, or that is classified as held-for-sale, according to the following situations:

- it represents a separate major business line or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major business line or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following are disclosed on a separate line of the income statement:

- the profit or loss from discontinued operations until the date of disposal, net of tax;
- the gain or loss recognised on the disposal or on measurement to fair value less costs of sale of the assets and liabilities constituting the discontinued operations, net of tax.

1.3 CONSOLIDATION PRINCIPLES AND METHODS (IFRS 10, IFRS 11 AND IAS 28)

Scope of consolidation

The consolidated financial statements include the financial statements of Crédit Agricole group and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole group exercises control, joint control or significant influence.

Definitions of control

In compliance with international accounting standards, all entities under control, under joint control or under significant influence are consolidated, provided that they are not covered by the exclusions below.

Exclusive control over an entity is deemed to exist if Crédit Agricole group is exposed to or entitled to receive variable returns as a result of its involvement with the entity and if the power it holds over this entity allows it to influence these returns. Power in this context means substantive (voting or contractual) rights. Rights are considered substantive if the holder of the rights can in practice exercise them when decisions about the Company's relevant activities are made.

Crédit Agricole group is deemed to control a subsidiary through voting rights when its rights give it the practical ability to direct the subsidiary's relevant activities. Crédit Agricole group is generally considered to control a subsidiary when it holds more than half the existing or potential voting rights in an entity, whether directly or indirectly through subsidiaries, except when it can be clearly demonstrated that such ownership does not give it the power to direct its relevant activities. Control is also deemed to exist where Crédit Agricole group holds half or less than half of the voting rights, including potential rights, in an entity but is able in practice to direct its relevant activities at its sole discretion, notably because of the existence of contractual arrangements, the size of its stake in the voting rights compared to those of other investors, or other reasons.

Control of a structured entity is not assessed on the basis of voting rights as these have no effect on the entity's returns. When assessing control, consideration is given not only to contractual arrangements in force but also to whether Crédit Agricole group was involved in creating the entity and what decisions it made at that time, what agreements were made at its inception and what risks are borne by Crédit Agricole group, any rights under agreements that give the investor the power to direct relevant activities in specific circumstances only and any other facts or circumstances that indicate the investor can direct the entity's relevant activities. Where there is a management agreement, the extent of decision-making powers granted to the delegated manager and the remuneration accorded by such contractual arrangements are examined to establish whether the manager is in practice acting as an agent (with delegated powers) or as a principal (on their own account).

Furthermore, when decisions on the entity's relevant activities are taken, the indicators used to assess whether an entity is acting as agent or principal are as follows: the extent of the decision-making powers compared to the powers over the entity delegated to the manager, the remuneration provided for under the contractual arrangements, any substantive rights that may affect the decision-making capacity of other parties involved in the entity and the exposure to variable returns of other interests in the entity.

Joint control is deemed to exist when there is a contractual division of control over an economic activity. Decisions affecting the entity's relevant activities require unanimous agreement of the joint controllers.

In traditional entities, significant influence is defined as the power to influence but not control a company's financial and operational policies. Crédit Agricole group is presumed to have significant influence if it owns 20% or more of the voting rights in an entity, whether directly or indirectly through subsidiaries.

Exclusions from the scope of consolidation

In accordance with IAS 28, 18 minority interests held by venture capital entities are excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss (including financial assets held for trading and financial assets designated at fair value through profit or loss).

Consolidation methods

The methods of consolidation are respectively defined by IFRS 10 and IAS 28 (revised). They depend on the type of control exercised by Crédit Agricole group over the entities that can be consolidated, regardless of activity or whether or not they have legal entity status:

- full consolidation, for controlled entities, including entities with different financial statement structures, even if their business is not an extension of that of Crédit Agricole group;
- the equity method, for the entities over which Crédit Agricole group exercises significant influence and joint control.

Full consolidation consists in substituting for the value of the shares each of the assets and liabilities carried by each subsidiary. The equity and income attributable to non-controlling interests is presented separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10 and incorporate instruments representing current ownership interests and that give right to a proportional share of the net assets in the event of liquidation and the other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in substituting for the value of shares the Group's proportional share of the equity and income of the companies concerned.

The change in the carrying amount of these shares includes changes in goodwill.

In the event of incremental share purchases or partial disposals with continued joint control or significant influence, Crédit Agricole group recognises:

- in the case of an increase in the percentage of interest, additional goodwill;
- in the case of a reduction in the percentage of interest, a gain or loss on disposal/dilution in profit or loss.

Restatements and eliminations

Where necessary, financial statements are restated to harmonise the valuation methods applied to consolidated companies.

The impact of Group internal transactions on the consolidated balance sheet and income statement is eliminated for fully consolidated entities.

Capital gains or losses arising from intra-group asset transfers are eliminated; any potential impairment measured at the time of disposal in an internal transaction is recognised.

Conversion of financial statements of foreign subsidiaries (IAS 21)

The financial statements of entities representing a "foreign operation" (subsidiary, branch, associate or joint venture) are converted into euros in two steps:

- if applicable, the local currency in which the financial statements are prepared is converted into the functional currency (currency of the main business environment of the entity). The conversion is made as if the information had been recognised initially in the functional currency (same conversion principles as for foreign currency transactions here above);
- the functional currency is converted into euros, the currency in which the Group's consolidated financial statements are presented. Assets and liabilities, including goodwill, are converted at the closing rate. Equity items, such as share capital or reserves, are translated at their historical foreign exchange rates. Income and expenses included in the income statement are converted at the average exchange rate for the period. Foreign exchange impacts resulting from this conversion are recognised as a separate component of shareholders' equity. In the event of exit from the foreign operation (disposal, repayment of capital, liquidation, discontinuation of activity) or in the event of deconsolidation due to a loss of control (even without disposal), these conversion differences are recognised in the income statement when the result of exit or loss of control is recognised.

Business combinations – Goodwill

Business combinations are accounted for using the acquisition method in accordance with IFRS 3, except for business combinations under common control (in particular mergers of Regional Banks), which are excluded from the field of application of IFRS 3. Pursuant to IAS 8, these transactions are entered at carrying amount using the pooling of interests method, with reference to US standard ASU805-50 which seems to comply with the IFRS general principles.

On the date of acquisition, the identifiable assets, liabilities and contingent liabilities of the acquired entity which satisfy the conditions for recognition set out in IFRS 3 are recognised at their fair value.

Notably, restructuring liabilities are only recognised as a liability of the acquired entity if, at the date of acquisition, the acquiree is under an obligation to complete the restructuring.

Price adjustment clauses are recognised at fair value even if their application is not probable. Subsequent changes in the fair value of clauses if they are financial liabilities are recognised in the income statement. Only price adjustment clauses relating to transactions where control was obtained at the latest by 31 December 2009 may still be recorded against goodwill, because these transactions were accounted for under IFRS 3 pre revision (2004).

The non-controlling interests that are shares of current interests giving rights to a share of the net assets in the event of liquidation may be measured, at acquirer's choice, in two ways:

- at fair value on the date of acquisition;
- at the share of the identifiable assets and liabilities of the acquired company revalued at fair value.

The option may be exercised at each acquisition.

The balance non-controlling interests (equity instruments issued by the subsidiary and not held by the Group) should be recognised for its fair value on the date of acquisition.

The initial assessment of assets, liabilities and contingent liabilities may be revised within a maximum period of 12 months after the date of acquisition.

Some transactions relating to the acquired entity are recognised separately from the business combination. This applies primarily to:

- transactions that end an existing relationship between the acquired company and the acquiring company;
- transactions that compensate employees or the selling shareholders of the acquired company for future services;
- transactions whose aim is to have the acquired company or its former shareholders repay expenses borne by the acquirer.

These separate transactions are generally recognised in the income statement at the acquisition date.

The transferred consideration at the time of a business combination (the acquisition cost) is measured as the total of fair values transferred by the acquirer, on the date of acquisition in exchange for control of the acquired entity (for example: cash, equity instruments, etc.).

The costs directly attributable to the business combination shall be recognised as expenses, separately from the business combination. If the transaction has very strong possibilities of occurring, they are recognised under "Net gains (losses) on other assets", otherwise they are recognised under "Operating expenses".

The difference between the sum of acquisition costs and non-controlling interests and the net balance on the date of acquisition of acquired identifiable assets and liabilities assumed, valued at their fair value, is recognised, when it is positive, in the assets side of the consolidated balance sheet, under "Goodwill" when the acquired entity is fully consolidated and under "Investments in equity-accounted entities" when the acquired company is consolidated using the equity method of accounting. Any badwill is recognised immediately through profit or loss.

Goodwill is carried in the balance sheet at its initial amount in the currency of the acquired entity and converted at the closing rate at the end of the reporting period.

When control is taken by stages, the interest held before taking control is revalued at fair value through profit or loss at the date of acquisition and the goodwill is calculated once, using the fair value at the date of acquisition of acquired assets and liabilities taken over.

Goodwill is tested for impairment whenever there is objective evidence of a loss of value and at least once a year.

The choices and assumptions used in assessing non-controlling interests at the date of acquisition may influence the amount of initial goodwill and any impairment resulting from a loss of value.

For the purpose of impairment testing, goodwill is allocated to the Group Cash Generating Units (CGUs) that are expected to benefit from the business combination. The CGUs have been defined within the Group's business lines as the smallest identifiable group of assets and liabilities functioning in a single business model. Impairment testing consists of comparing the carrying amount of each CGU, including any goodwill allocated to it, with its recoverable amount.

The recoverable amount of the CGU is defined as the higher of fair value less of selling costs and value in use. The value in use is the present value of the future cash flows of the CGU, as set out in medium-term business plans prepared by the Group for management purposes.

When the recoverable amount is lower than the carrying amount, a corresponding impairment loss is recognised for the goodwill allocated to the CGU. This impairment is irreversible.

In the case of an increase in the percentage ownership interest of the Group in an entity that is already exclusively controlled, the difference between the acquisition cost and the share of net assets acquired is recognised under “Consolidated reserves Group share”; in the event that the Group’s percentage ownership interest in an entity that remains under its exclusive control declines, the difference between the selling price and the carrying amount of the share of net assets sold is also recognised directly under “Consolidated reserves Group share”. Expenses arising from these transactions are recognised in equity.

The accounting treatment of sale options granted to minority shareholders is as follows:

- when a sale option is granted to the minority shareholders of a fully consolidated subsidiary, a liability is recognised in the balance sheet; on initial recognition, the liability is measured at the estimated present value of the exercise price of the options granted to the minority shareholders. Against this liability, the share of net assets belonging to the minority shareholders concerned is reduced to zero and the remainder is deducted from equity;
- subsequent changes in the estimated value of the exercise price will affect the amount of the liability, offset by an equity adjustment. Symmetrically, subsequent changes in the share of net assets due to minority shareholders are cancelled, offset in equity.

When there is a loss of control, the proceeds from the disposal are calculated on the entirety of the entity sold and any investment share kept is recognised in the balance sheet at its fair value on the date control was lost.

NOTE 2 Major structural transactions and material events during the period

The scope of consolidation and changes to it are shown in detail at the end of the notes in Note 13 “Scope of consolidation at 31 December 2019”.

2.1 APPLICATION OF THE NEW IFRS 16 STANDARD

Application of the IFRS 16 standard on leases is mandatory for annual reporting periods beginning on or after 1 January 2019. This standard drops the distinction between finance leasing and operating leasing to account on the leaseholder’s (lessee) balance sheet for the right to use the leased assets in return for a lease debt.

The regulatory provisions for the application of the IFRS 16 standard to the Group’s consolidated financial statements are presented in Note 1 “Group accounting policies and principles, assessments and estimates applied”.

The impact of the initial application of the new IFRS 16 accounting standard resulted in an increase of €1,859 million in the total balance sheet, there was no impact on equity.

2.2 MAIN CHANGES IN THE SCOPE OF CONSOLIDATION

2.2.1 First consolidation of CA-GIP (Crédit Agricole – Group Infrastructure Platform)

Within the framework of its medium-term plan entitled “Strategic Ambition 2020”, the Crédit Agricole Group decided to implement a new client project in order to strengthen its growth dynamics and invest in the improvement of its industrial efficiency.

In particular, the alignment of IT infrastructures and production has led to the creation of CA-GIP, owned by several entities of the Crédit Agricole Group. The initial consolidation of this structure at 30 June 2019 has a positive impact on the net income Group share of €+12 million, which represents the income from disposal associated with the loss of control of activities contributed and transferred to CA-GIP.

2.2.2 Acquisition of KAS Bank

On 29 July 2019, CACEIS made a friendly cash takeover offer for the entire share capital of KAS Bank, a long-standing player in the custody and asset servicing business in the Netherlands. At 31 December 2019, KAS Bank’s assets under custody amounted to €196 billion, and assets under administration amounted to €142 billion.

The offer was declared unconditional on 23 September 2019, at the end of the initial offer period, with 95.3% of the shares tendered to CACEIS. After the offer reopening period, CACEIS announced on 7 October 2019 that it held 97.17% of the share capital of KAS Bank. Subsequently, in November 2019, KAS Bank and CACEIS delisted the KAS Bank securities on Euronext Amsterdam.

CACEIS initiated a mandatory squeeze-out procedure in order to obtain 100% of the share capital of KAS Bank. The procedure is expected to be completed in 2020.

As a result of this acquisition, CACEIS is strengthening its position in Europe and its ability to meet the needs of insurance companies, asset management companies and pension funds.

The acquisition of KAS Bank was carried out at a price of €183.1 million. It generated badwill of €21.7 million, which was recorded in the “Variations value of Goodwill” section of the consolidated financial statements.

At 31 December 2019, CACEIS held 97.39% of the share capital of KAS Bank.

2.2.3 Finalisation of the merger of CACEIS and Santander Securities Services

Crédit Agricole S.A. and Santander completed the merger of their institutional custody and asset servicing activities on 20 December 2019.

Under the agreement signed on 27 June 2019, the Santander Group transferred 100% of the activities of its Santander Securities Services (“S3”) in Spain and 49.99% of its activities in Latin America (Brazil, Mexico and Colombia) to CACEIS, in consideration for an increase in the reserved capital of CACEIS. Following these transactions, Crédit Agricole S.A. and Santander held 69.5% and 30.5% of the share capital of CACEIS respectively.

The acquisition of “S3”, which will be named CACEIS Bank Spain S.A. in the course of 2020, has generated €248 million of goodwill. The activities of S3 in Latin America are accounted for under the equity method, at cost, *i.e.* €350 million.

The alliance of two leading players in the field of institutional custody and asset servicing gives rise to a key player in Europe and around the world, with €3,900 billion of assets under custody and €2,000 billion of assets under administration.

The new Group will benefit from an expanded geographical presence, a full coverage of the value chain and an enhanced service offer. With the support of its two shareholders, it will be ideally placed to seize new growth opportunities, particularly in the high-potential markets of Latin America.

2.2.4 Partnership between Crédit Agricole Consumer Finance and Banco BPM for consumer credit in Italy

Following the memorandum signed in December 2018, Crédit Agricole Consumer Finance (CACF) and Banco BPM signed the final agreement aimed at strengthening their overall partnership in the Italian consumer finance market in June 2019, which stipulates:

- the acquisition of ProFamily S.p.A., a subsidiary of Banco BPM, renamed ProAgos S.p.A. after its non-banking activities were grouped into a separate entity, by Agos for a total amount of €310 million. The transaction was approved by the European Competition Authority and the Bank of Italy;
- the extension of the agreement regarding distribution of Agos products by the network and distribution channels of Banco BPM on an exclusive basis for 15 years.

This agreement leaves the capital structure of Agos unchanged (61% owned by CACF and 39% by Banco BPM). However, the shareholders' agreement stipulates the following for Banco BPM, between now and 2021:

- Banco BPM has the option of requesting the initial public offering of Agos until 30 June 2021. In this case, Banco BPM has the option to reduce its stake in Agos, while committing to maintaining a minimum holding of 10%;
- in the event that this offering is not implemented, CACF has granted Banco BPM an option to redeem 10% of its Agos securities for an amount of €150 million.

2.2.5 Change in method of consolidation of Crédit Agricole Life Greece (IFRS 5)

At the beginning of 2019, the disposal process was halted and, as a result, the classification of Crédit Agricole Life Greece under IFRS 5 was abandoned. The company is therefore consolidated using the full consolidation method in the consolidated financial statements as at 31 December 2019.

2.2.6 Proposed disposal of Crédit Agricole Bank Romania (IFRS 5)

Crédit Agricole Bank Romania is a fully-owned subsidiary of Crédit Agricole S.A. During 2019, Crédit Agricole S.A. initiated a process to put Crédit Agricole Bank Romania up for sale. A programme to actively search for a potential acquirer was launched, leading to the receipt at the end of December 2019 of binding offers from potential purchasers.

Therefore, pursuant to IFRS 5, the assets and liabilities of Crédit Agricole Bank Romania are reclassified as at 31 December 2019 in the balance sheet under "Non-current assets held for sale" for the sum of €475 million and under "Liabilities associated with non-current assets held for sale" for the sum of €478 million, with the net income under "Net income from operations discontinued or being sold" for an amount of -€46 million.

The impact on the income statement incorporates the estimated loss on this transaction.

2.2.7 Creation of a joint venture between Amundi and Bank of China Wealth Management

On 20 December 2019, Amundi and Bank of China Wealth Management, a Bank of China subsidiary, received the consent of the China Banking and Insurance Regulatory Commission to set up a joint-venture asset management company.

This partnership complements and accelerates Amundi's development strategy in China. Therefore, Bank of China and Amundi have commenced the preparatory work for creating their joint venture and have taken the initiative of beginning the process of obtaining national regulatory approval. The aim is to launch the joint venture during the second half of 2020.

2.3 BANK OF SAUDI FRANSI – DISPOSAL OF HOLDING

During 2019, Crédit Agricole Corporate & Investment Bank completed the disposal of a 10.9% holding in the capital of the Bank of Saudi Fransi (BSF) to a consortium led by Ripplewood and to the Olayan Saudi Investment Company.

This disposal was completed in two stages:

- the disposal of a first block of 4.9% occurred on 29 April 2019 at a price of 31.50 Saudi Arabian Riyals (SAR) per share, corresponding to a total amount of SAR 1.86 billion, or €444 million. The investment vehicle, RAM Holdings I Ltd (a US-based investment holding company controlled by Ripplewood Advisors LLC) acquired 3.0% and the Saudi company Olayan Saudi Investment Company acquired 1.9%;
- the disposal of a second block of 6.0% occurred on 21 November 2019 in favour of the RAM Holdings I Ltd vehicle at a price of 30.00 Saudi Riyals (SAR) per share, corresponding to a total amount of SAR 2.17 billion, or €522 million. The disposal follows the exercise of the call option granted on the disposal of the first block, which is exercisable until December 2019.

The impacts of these disposals were recognised in shareholders' equity.

At 31 December 2019, Crédit Agricole Corporate & Investment Bank still held 4.0% of the share capital of BSF.

2.4 DEPRECIATION OF GOODWILL ON LCL

As part of the preparing the publication of its consolidated financial statements, Crédit Agricole S.A. conducted the annual valuation tests of the goodwill recorded in its balance sheet during the fourth quarter of 2019. In accordance with IFRS accounting standards, these tests are based on a comparison between the value recorded in the assets of the consolidated balance sheet of Crédit Agricole S.A. and the value in use. The calculation of the value in use is based on discounting the future cash flows.

On 17 December 2019, when presented with the results of these tests, the Board of Directors of Crédit Agricole S.A. decided to depreciate the goodwill on LCL. This depreciation amounting to €664 million is recorded in the consolidated financial statements for the fourth quarter of 2019 and directly impacts the net income Group share.

This charge affects neither the solvency of Crédit Agricole S.A. or the Crédit Agricole Group, as the goodwill has already been fully deducted from the prudential capital, nor their liquidity.

2.5 CAPITAL INCREASE RESERVED FOR EMPLOYEES

The capital increase of Crédit Agricole S.A. reserved for employees, with the subscription period running from 21 June to 3 July 2019, was completed definitively on 31 July 2019. 20,500 Crédit Agricole Group employees, in France and 18 other countries, subscribed for a total amount of €150.9 million.

The proposed investment scheme was a standard offer with a subscription price including a 20% rebate on the share price. The new shares were issued and delivered to employees on 31 July 2019.

This capital increase created 18,251,556 new shares, thereby bringing the total number of shares comprising the share capital of Crédit Agricole S.A. to 2,884,688,712.

2.6 CACEIS GERMANY

CACEIS Germany has received from the Bavarian tax authorities a request for the reimbursement of taxes on dividends repaid to some of its customers in 2010.

The request amounts to €312 million. In addition, CACEIS is requested to pay €148 million late interest (calculated at a rate of 6% p.a.).

CACEIS Germany vigorously contests this request, which it regards as completely unfounded. CACEIS Germany has appealed on the merits of the case. It is now up to CACEIS, within the framework of the on-going appeal procedure, to file its conclusions in support of its position.

Moreover, CACEIS has requested a suspension of execution of the payment order pending a ruling in the substantive proceedings. A suspension of execution was granted for the payment of the €148 million late interest but was dismissed for the €312 million principal repayment requested. CACEIS has lodged an appeal against this ruling. As the decision dismissing the appeal was immediately enforceable, CACEIS made the €312 million payment and considering the appeal proceedings in progress, recorded a receivable of an equivalent amount in its third quarter of 2019 financial statements. With respect to the financial statements as of 31 December 2019, in the absence of any element or circumstance which would change its assessment regarding the risk incurred, CACEIS maintains its accounting position, *i.e.,* CACEIS confirms the consistency of the receivable recorded during the third quarter of 2019.

2.7 BENCHMARK BOND ISSUE ON THE PANDA MARKET

Following the authorisation obtained from People's Bank of China for its Panda bond issue program, on 5 December 2019 Crédit Agricole S.A. issued preferred senior bonds with a maturity of three years at a fixed rate of 3.4% for the sum of CNY 1 billion (equivalent to €128 million). This benchmark initial issue was placed with Chinese and international investors on the Chinese bond market and the Bond Connect platform in Hong Kong. This transaction is the first bond issue made in China in the Panda format by a European GSIB bank.

The Crédit Agricole S.A. Panda bond issue has been structured with a ceiling of CNY 5 billion that may be issued in part or in full over the next two years. Crédit Agricole S.A. intends to become a regular issuer on the booming Panda market in order to finance its activities in China and to further diversify its long-term financing.

The proceeds of this first Panda bond issue were used to finance its wholly-owned Chinese banking subsidiary, Crédit Agricole CIB (China) Ltd, which is extending its local presence to meet the needs of its international customers through financing and transactions on the capital markets. Based in Shanghai, the Crédit Agricole CIB Chinese franchise has become a major growth engine in the Asia-Pacific region for the Group.

The issuer Crédit Agricole S.A. and its Panda bond were awarded the AAA rating by the Chinese rating agency China Chengxin International Credit Rating.

2.8 TAX LITIGATION ON EMPORIKI SECURITIES

Following the hearing on 15 May 2019 at the *Conseil d'État* (Council of State) on the appeal against the judgement of 17 May 2018, which found in favour of Crédit Agricole S.A, the *Conseil d'État* considered the matter in a long debate before finally asking the Accounting Standards Authority (ANC) to decide on the accounting categorisation of the securities acquired by Crédit Agricole S.A. from the capital increase of July 2012.

The ANC confirmed unambiguously in a letter dated 9 September 2019 that these securities correspond to the accounting definition of "investment securities" in accordance with banking accounting standards.

In its judgement of 8 November 2019, the *Conseil d'État* confirmed the decision of the Administrative Court of Appeal of 17 May 2018 and reiterated the opinion of the ANC. All remedies are now exhausted.

Thus, with regard the securities resulting from the capital increase of 2012, the amount of €1,038 million paid to Crédit Agricole S.A. is definitively acquired, justifying a reversal of the associated provisions in the net income, *i.e.:*

- €955 million in provisions associated with the deductibility of the provision for depreciation of Emporiki securities recorded in 2012;
- €83 million in provisions associated with the deductibility of the capital loss on Emporiki securities recorded in 2013.

Following the decision of 8 November 2019, discussions with the Tax Authorities permitted the consequences of this decision to be extended to the securities resulting from the capital increase of 2013, for which the tax treatment could only be identical.

Consequently, in the accounts for Crédit Agricole S.A. of 31 December 2019:

- the receivable for €312 million that Crédit Agricole S.A had recorded in 2017 as part of the adjustment to the loss recorded on securities issued in 2013 was reimbursed to it without impact on the income statement;
- default interest of €28.7 million net paid by the tax authorities resulted in income in the income statement.

All of this litigation is thus completely resolved at 31 December 2019.

NOTE 3 Financial management, risk exposure and hedging policy

Crédit Agricole S.A.'s Financial Management department is responsible for organising financial flows within Crédit Agricole Group, defining and implementing refinancing rules, asset and liability management, and managing regulatory prudential ratios. It sets out the principles and ensures a cohesive financial management system throughout the Group.

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department.

This department reports to the Chief Executive Officer of Crédit Agricole S.A. and its task is to control credit, financial and operational risks.

A description of these processes and commentary now appear in the chapter on "Risk factors" in the management report, as allowed by IFRS 7 standard. Nonetheless, the accounting breakdowns are still presented in the financial statements.

3.1 CREDIT RISK

3.1.1 Change in carrying amounts and value adjustments for losses during the period

Value adjustments for losses correspond to the impairment of assets and to provisions for off-balance sheet commitments recognised in net income (see chapter "Risk factors – Credit Risk").

The following tables present a reconciliation of the opening and closing balances of value adjustments for losses recognised under Cost of risk and associated carrying amounts, by accounting category and type of instrument (see chapter "Risk factors – Credit Risk").

Financial assets at amortised cost: loans and receivables due from credit institutions

	Performing assets								
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Credit-impaired assets (Bucket 3)		Total		
(in millions of euros)	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 December 2018	**97,130**	**(26)**	**70**	**(1)**	**411**	**(391)**	**97,611**	**(417)**	**97,194**
Transfers between buckets during the period	**(88)**	**-**	**(1)**	**-**	**89**	**(8)**	**-**	**(8)**	
Transfers from Bucket 1 to Bucket 2	-	-	-	-			-	-	
Return to Bucket 2 from Bucket 1	1	-	(1)	-			-	-	
Transfer to lifetime ECL impaired (Bucket 3)(1)	(89)	-	-	-	89	(8)	-	(8)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-	
Total after transfers	**97,042**	**(26)**	**69**	**(1)**	**500**	**(399)**	**97,611**	**(425)**	**97,186**
Changes in carrying amounts and loss allowances	**5,494**	**1**	**(43)**	**1**	**(1)**	**11**	**5,450**	**13**	
New financial production: purchase, granting, origination(2)	22,380	(11)	23	(6)			22,403	(17)	
Derecognition: disposal, repayment, maturity...	(18,499)	15	(67)	1	(11)	1	(18,577)	17	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	(2)	-	-	-	-	-	(2)	
Changes in models' credit risk parameters during the period		(5)		-		17	-	12	
Changes in model / methodology		2		1		-	-	3	
Changes in scope	1,131	-	-	-	-	-	1,131	-	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Others	482	2	1	5	10	(7)	493	-	
Total	**102,536**	**(25)**	**26**	**-**	**499**	**(388)**	**103,061**	**(413)**	**102,646**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)(3)	(1,704)		-		6		(1,698)		
BALANCE AT 31 DECEMBER 2019	**100,832**	**(25)**	**26**	**-**	**505**	**(388)**	**101,363**	**(413)**	**100,950**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgrated directly to Bucket 3 and later to Bucket 3.

(2) Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 2 during the period.

(3) Includes the impacts of fair value adjustments of micro-hedged instruments, the impacts relating to the use of the EIR method (notably the amortisation of premiums/discounts), the impacts of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), the changes in related receivables and in the currency impact.

Financial assets at amortised cost: loans and receivables due from customers

	Performing assets								
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Credit-impaired assets (Bucket 3)		Total		
(in millions of euros)	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 December 2018	**785,415**	**(1,800)**	**65,693**	**(3,715)**	**23,048**	**(13,960)**	**874,156**	**(19,475)**	**854,681**
Transfers between buckets during the period	**(4,840)**	**(414)**	**969**	**787**	**3,872**	**(1,647)**	**-**	**(1,274)**	
Transfers from Bucket 1 to Bucket 2	(24,290)	290	24,290	(689)			-	(399)	
Return to Bucket 2 from Bucket 1	21,601	(765)	(21,601)	1,323			-	558	
Transfer to lifetime ECL impaired (Bucket 3)[(1)]	(2,513)	75	(2,374)	213	4,887	(2,031)	-	(1,743)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	362	(14)	654	(60)	(1,015)	384	-	310	
Total after transfers	**780,575**	**(2,214)**	**66,662**	**(2,928)**	**26,920**	**(15,607)**	**874,157**	**(20,749)**	**853,408**
Changes in carrying amounts and loss allowances	**67,739**	**438**	**(1,899)**	**(725)**	**(4,781)**	**2,046**	**61,059**	**1,758**	
New financial production: purchase, granting, origination[(2)]	271,958	(815)	15,722	(1,320)			287,680	(2,135)	
Derecognition: disposal, repayment, maturity...	(204,743)	663	(17,715)	903	(2,711)	1,466	(225,169)	3,032	
Write-offs					(2,094)	1,968	(2,094)	1,968	
Changes of cash flows resulting in restructuring due to financial difficulties	(6)	-	(12)	1	(19)	2	(37)	3	
Changes in models' credit risk parameters during the period		586		(364)		(1,521)	-	(1,299)	
Changes in model / methodology		(4)		44		-	-	40	
Changes in scope	1,355	-	25	(1)	15	(14)	1,394	(15)	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Others	(825)	8	81	12	28	145	(717)	165	
Total	**848,314**	**(1,776)**	**64,763**	**(3,653)**	**22,139**	**(13,561)**	**935,216**	**(18,990)**	**916,226**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)[(3)]	(2,989)		(600)		860		(2,729)		
BALANCE AT 31 DECEMBER 2019	**845,325**	**(1,776)**	**64,163**	**(3,653)**	**22,999**	**(13,561)**	**932,487**	**(18,991)**	**913,496**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgraded directly to Bucket 3 and later to Bucket 3.

(2) Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 2 during the period.

(3) Includes the impacts of fair value adjustments of micro-hedged instruments, the impacts relating to the use of the EIR method (notably the amortisation of premiums/discounts), the impacts of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), the changes in related receivables and in the currency impact.

Financial assets at amortised cost: debt securities

	Performing assets								
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Credit-impaired assets (Bucket 3)		Total		
(in millions of euros)	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount	Loss allowance	Gross carrying amount (a)	Loss allowance (b)	Net carrying amount (a) + (b)
Balance at 31 December 2018	**80,495**	**(24)**	**101**	**(3)**	**32**	**(20)**	**80,628**	**(47)**	**80,581**
Transfers between buckets during the period	**59**	**-**	**(59)**	**2**	**-**	**-**	**-**	**2**	
Transfers from Bucket 1 to Bucket 2	(13)	-	13	-	-		-	-	
Return to Bucket 2 from Bucket 1	72	-	(72)	2	-		-	2	
Transfer to lifetime ECL impaired (Bucket 3)[1]	-	-	-	-	-	-	-	-	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-	
Total after transfers	**80,554**	**(24)**	**42**	**(1)**	**32**	**(20)**	**80,628**	**(45)**	**80,583**
Changes in carrying amounts and loss allowances	**13,772**	**(12)**	**354**	**(11)**	**(4)**	**-**	**14,122**	**(23)**	
New financial production: purchase, granting, origination[2]	27,388	(25)	365	(14)			27,753	(39)	
Derecognition: disposal, repayment, maturity...	(17,026)	18	(152)	14	(5)	1	(17,183)	33	
Write-offs					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	(2)	-	-	-	-	-	(2)	
Changes in models' credit risk parameters during the period		(3)		(1)		-	-	(4)	
Changes in model / methodology		1		-		-	-	1	
Changes in scope	(78)	-	-	-	-	-	(78)	-	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Others	3,488	(1)	141	(10)	1	(1)	3,630	(12)	
Total	**94,326**	**(36)**	**396**	**(12)**	**28**	**(20)**	**94,750**	**(68)**	**94,682**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)[3]	452		-		-		452		
BALANCE AT 31 DECEMBER 2019	**94,778**	**(36)**	**396**	**(12)**	**28**	**(20)**	**95,202**	**(68)**	**95,134**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgrated directly to Bucket 3 and later to Bucket 3.

(2) Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 2 during the period.

(3) Includes the impacts of fair value adjustments of micro-hedged instruments, the impacts relating to the use of the EIR method (notably the amortisation of premiums/discounts), the impacts of the accretion of discounts on restructured loans (recovered as revenue over the remaining term of the asset), the changes in related receivables and in the currency impact.

Financial assets at fair value through other comprehensive income: debt securities

	Performing assets							
	Assets subject to 12-month ECL (Bucket 1)		Assets subject to lifetime ECL (Bucket 2)		Credit-impaired assets (Bucket 3)		Total	
(in millions of euros)	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance
Balance at 1 January 2019	**258,069**	**(117)**	**2,182**	**(25)**	**-**	**(4)**	**260,251**	**(146)**
Transfers between buckets during the period	**(621)**	**1**	**624**	**2**	**-**	**-**	**3**	**3**
Transfers from Bucket 1 to Bucket 2	(780)	1	780	(1)			-	-
Return to Bucket 2 from Bucket 1	159	-	(156)	4			3	3
Transfer to lifetime ECL impaired (Bucket 3)[1]	-	-	-	-	-	-	-	-
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-
Total after transfers	**257,448**	**(116)**	**2,806**	**(23)**	**-**	**(4)**	**260,254**	**(143)**
Changes in carrying amounts and loss allowances	**9,021**	**(25)**	**(182)**	**(11)**	**-**	**-**	**8,838**	**(36)**
Fair value revaluation during the period	6,974		18		-		6,992	
New financial production: purchase, granting, origination[2]	28,560	(29)	2,023	(15)	-	-	30,584	(44)
Derecognition: disposal, repayment, maturity...	(28,418)	13	(2,260)	6	-	-	(30,679)	19
Write-offs	-	-	-	-	-	-	-	-
Changes of cash flows resulting in restructuring due to financial difficulties	5	5	1	1	-	-	6	6
Changes in models' credit risk parameters during the period		(15)		(1)		-	-	(16)
Changes in model / methodology		(1)		-		-	-	(1)
Changes in scope	1,921	-	-	-	-	-	1,921	-
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-
Others	(20)	3	34	(3)	-	-	14	-
Total	**266,469**	**(141)**	**2,624**	**(34)**	**-**	**(4)**	**269,092**	**(179)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)[3]	(793)		(1)		-		(794)	
BALANCE AT 31 DECEMBER 2019	**265,675**	**(141)**	**2,623**	**(34)**	**-**	**(4)**	**268,299**	**(179)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-	

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgrated directly to Bucket 3 and later to Bucket 3.

(2) Originations in Bucket 2 could include some originated loans in Bucket 1 reclassified in Bucket 2 during the period.

(3) Includes the impacts of the use of the EIR method (notably the amortisation of premiums/discounts).

Financing commitments

	Performing commitments								
	Commitments subject to 12-month ECL (Bucket 1)		Commitments subject to lifetime ECL (Bucket 2)		Provisioned commitments (Bucket 3)		Total		
(in millions of euros)	Amount of commitment	Loss allowance	Amount of commitment	Loss allowance	Amount of commitment	Loss allowance	Amount of commitment (a)	Loss allowance (b)	Net amount of commitment (a) + (b)
Balance at 31 December 2018	**212,528**	**(309)**	**6,860**	**(381)**	**473**	**(31)**	**219,861**	**(721)**	**219,140**
Transfer between buckets during the period	**(1,113)**	**(35)**	**880**	**44**	**233**	**(17)**	**-**	**(7)**	
Transfers from Bucket 1 to Bucket 2	(2,542)	32	2,542	(59)			-	(26)	
Return to Bucket 2 from Bucket 1	1,614	(67)	(1,614)	104			-	37	
Transfer to lifetime ECL impaired (Bucket 3)(1)	(198)	1	(78)	2	276	(22)	-	(19)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/12-month ECL (Bucket 1)	13	(1)	30	(3)	(43)	5	-	1	
Total after transfers	**211,415**	**(344)**	**7,740**	**(337)**	**706**	**(48)**	**219,861**	**(728)**	**219,169**
Changes in commitments and loss allowances	**(9,593)**	**15**	**(1,056)**	**28**	**(27)**	**(60)**	**(10,675)**	**(20)**	
New commitments given(2)	98,203	(183)	2,607	(193)			100,810	(376)	
End of commitments	(108,118)	178	(3,615)	234	(310)	28	(112,042)	439	
Write-offs	-	-	-	-	-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	(2)	1	-	1	-	-	(2)	2	
Changes in models' credit risk parameters during the period		13		(30)		(83)	-	(95)	
Changes in model / methodology		6		20		-	-	23	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Changes in scope	36	-	-	-	-	-	36	-	
Others	288	(2)	(48)	(4)	283	(6)	522	(13)	
BALANCE AT 31 DECEMBER 2019	**201,823**	**(328)**	**6,684**	**(309)**	**679**	**(109)**	**209,186**	**(748)**	**208,437**

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgrated directly to Bucket 3 and later to Bucket 3.

(2) News commitments given in Bucket 2 could include some originations in Bucket 1 during the period.

Guarantee commitments

(in millions of euros)	Performing commitments: Commitments subject to 12-month ECL (Bucket 1) — Amount of commitment	Performing commitments: Commitments subject to 12-month ECL (Bucket 1) — Loss allowance	Performing commitments: Commitments subject to lifetime ECL (Bucket 2) — Amount of commitment	Performing commitments: Commitments subject to lifetime ECL (Bucket 2) — Loss allowance	Provisioned commitments (Bucket 3) — Amount of commitment	Provisioned commitments (Bucket 3) — Loss allowance	Total — Amount of commitment (a)	Total — Loss allowance (b)	Total — Net amount of commitment (a) + (b)
Balance at 31 December 2018	**81,677**	**(91)**	**3,575**	**(185)**	**2,943**	**(408)**	**88,194**	**(684)**	**87,510**
Transfer between buckets during the period	**(793)**	**(12)**	**685**	**15**	**97**	**(121)**	**(11)**	**(117)**	
Transfers from Bucket 1 to Bucket 2	(1,262)	6	1,260	(22)			(2)	(15)	
Return to Bucket 2 from Bucket 1	505	(18)	(513)	32			(8)	14	
Transfer to lifetime ECL impaired (Bucket 3)(1)	(578)	-	(70)	11	648	(126)	-	(115)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	543	-	8	(4)	(551)	6	-	1	
Total after transfers	**80,885**	**(103)**	**4,259**	**(170)**	**3,040**	**(528)**	**88,184**	**(801)**	**87,383**
Changes in commitments and loss allowances	**2,635**	**14**	**(35)**	**(9)**	**190**	**63**	**2,790**	**67**	
New commitments given(2)	30,540	(42)	1,603	(74)			32,144	(117)	
End of commitments	(27,201)	41	(1,660)	61	(186)	64	(29,046)	166	
Write-offs	-	-	-	-	(60)	43	(60)	43	
Changes of cash flows resulting in restructuring due to financial difficulties	-	3	-	6	-	-	-	9	
Changes in models' credit risk parameters during the period		13		(1)		(40)	-	(27)	
Changes in model / methodology		(1)		2		-	-	2	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Changes in scope	-	-	-	-	-	-	-	-	
Others	(705)	(1)	21	(3)	436	(3)	(247)	(8)	
BALANCE AT 31 DECEMBER 2019	**83,519**	**(90)**	**4,224**	**(179)**	**3,230**	**(466)**	**90,974**	**(733)**	**90,240**

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgrated directly to Bucket 3 and later to Bucket 3.

(2) News commitments given in Bucket 2 could include some originations in Bucket 1 during the period.

3.1.2 Maximum exposure to credit risk

An entity's maximum exposure to credit risk represents the carrying amount, net of any impairment loss recognised and without taking account of any collateral held or other credit enhancements (*e.g.* netting agreements that do not qualify for offset in accordance with IAS 32).

The tables below show the maximum exposures as well as the amount of collateral held and other credit enhancements allowing this exposure to be reduced.

Impaired assets at the end of the reporting period constitute the impaired assets (Bucket 3).

Financial assets not subject to impairment requirements (accounted at fair value through profit or loss)

	31/12/2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in millions of euros)	**Maximum exposure to credit risk**	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**297,264**	**-**	**3,327**	**1,798**	**79**	**-**
Held for trading financial assets	220,797	-	-	1,769	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	76,374	-	3,327	29	79	-
Financial assets designated at fair value through profit or loss	93	-	-	-	-	-
Hedging derivative Instruments	**20,947**	**-**	**-**	**1,298**	**-**	**-**
TOTAL	**318,211**	**-**	**3,327**	**3,096**	**79**	**-**

	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in millions of euros)	**Maximum exposure to credit risk**	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**288,491**	**-**	**1,906**	**472**	**35**	**-**
Financial assets held for trading	220,451	-	-	383	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	67,968	-	1,906	89	35	-
Financial assets designated at fair value through profit or loss	72	-	-	-	-	-
Hedging derivative Instruments	**15,829**	**-**	**-**	**506**	**-**	**-**
TOTAL	**304,320**	**-**	**1,906**	**978**	**35**	**-**

Financial assets subject to impairment requirements

(in millions of euros)	31/12/2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	**268,298**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from customers	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Debt securities	**268,298**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**1,109,562**	**12,088**	**228,887**	**25,601**	**256,700**	**288**
of which impaired assets at the reporting date	9,560	104	1,879	229	1,817	-
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	**100,931**	**4,030**	**-**	**90**	**5,157**	**-**
of which impaired assets at the reporting date	115	-	-	-	77	-
Loans and receivables due from customers	**913,496**	**8,058**	**228,887**	**25,511**	**251,542**	**288**
of which impaired assets at the reporting date	9,436	104	1,879	229	1,740	-
Debt securities	**95,134**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	9	-	-	-	-	-
TOTAL	**1,377,860**	**12,088**	**228,887**	**25,601**	**256,700**	**288**
of which impaired assets at the reporting date	9,560	104	1,879	229	1,817	-

(in millions of euros)	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	**260,251**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	1	-	-	-	-	-
Loans and receivables due from credit institutions	**-**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables due from customers	**1**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	1	-	-	-	-	-
Debt securities	**260,250**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**1,032,440**	**8,642**	**215,687**	**23,207**	**223,586**	**387**
of which impaired assets at the reporting date	9,120	129	2,567	147	3,800	-
Loans and receivables due from credit institutions	**97,178**	**1,442**	**-**	**153**	**5,790**	**-**
of which impaired assets at the reporting date	20	-	-	-	2,324	-
Loans and receivables due from customers	**854,681**	**7,200**	**215,687**	**23,054**	**217,796**	**387**
of which impaired assets at the reporting date	9,088	129	2,567	147	1,476	-
Debt securities	**80,581**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	12	-	-	-	-	-
TOTAL	**1,292,691**	**8,642**	**215,687**	**23,207**	**223,586**	**387**
of which impaired assets at the reporting date	9,121	129	2,567	147	3,800	-

Off-balance sheet commitments subject to provision requirements

	31/12/2019					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in millions of euros)	**Maximum exposure to credit risk**	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments (excluding Crédit Agricole internal transactions)	**90,241**	**25**	**23**	**620**	**6,137**	**784**
of which provisioned commitments at the reporting date	2,765	1	1	27	26	-
Financing commitments (excluding Crédit Agricole internal transactions)	**208,438**	**3**	**4,878**	**2,342**	**21,648**	**7,785**
of which provisioned commitments at the reporting date	571	-	4	22	87	-
TOTAL	**298,679**	**28**	**4,900**	**2,961**	**27,785**	**8,569**
of which provisioned commitments at the reporting date	3,336	1	4	86	112	-

	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in millions of euros)	**Maximum exposure to credit risk**	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments	**87,510**	**26**	**8**	**526**	**6,461**	**220**
of which provisioned commitments at the reporting date	2,534	-	-	27	19	-
Financing commitments	**219,140**	**-**	**4,243**	**1,792**	**20,731**	**4,409**
of which provisioned commitments at the reporting date	442	-	5	20	24	-
TOTAL	**306,650**	**26**	**4,251**	**2,318**	**27,192**	**4,629**
of which provisioned commitments at the reporting date	2,977	-	6	47	43	-

A description of the assets held as collateral is provided in Note 9 “Commitments given and received and other guarantees”.

3.1.3 Modified financial assets

Modified financial assets are those assets that have been restructured due to financial difficulties. Loans for which the entity changed the initial financial terms (interest rate, term) for economic or legal reasons connected with the borrower's financial difficulties, in a manner that would not have been considered under other circumstances. They thus consist of loans classified as in default and performing loans at the date they are restructured. (A more detailed definition of restructured loans and their accounting treatment can be found in Note 1.2 "Accounting policies and principles", Chapter entitled "Financial instruments – Credit risk".) Once restructured, an asset continues to be classified as a modified financial asset until derecognised.

For assets restructured during the period, the carrying amount following restructuring consists of:

	Performing assets		
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	**-**	**-**	**-**
Gross carrying amount before modification	-	-	-
Net gains (losses) resulting from the modification	-	-	-
Loans and receivables due from customers	**15**	**978**	**944**
Gross carrying amount before modification	20	990	963
Net gains (losses) resulting from the modification	(5)	(12)	(19)
Debt securities	**5**	**1**	**-**
Gross carrying amount before modification	-	-	-
Net gains (losses) resulting from the modification	5	1	-

In accordance with the principles set out in Note 1.2 "Accounting principles and policies", Chapter entitled "Financial instruments – Credit risk", restructured assets at a stage of impairment corresponding to that of Bucket 2 (performing assets) or Bucket 3 (impaired assets) may go back into Bucket 1 (performing assets). The carrying amount of modified assets affected by this reclassification during the period is:

	Gross carrying amount
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)
Restructured assets previously classified in Bucket 2 or Bucket 3 and reclassified in Bucket 1 during the period	
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	-
Loans and receivables due from customers	93
Debt securities	-
TOTAL	**93**

3.1.4 Concentrations of credit risk

The carrying amounts and commitments are presented net of impairment and provisions.

Exposure to credit risk by category of credit risk

The credit risk categories are presented by probability of default intervals. The correspondence between internal ratings and probability of default intervals is discussed in the Chapter entitled “Risk Factors and Pillar 3 – Credit Risk Management” in the Crédit Agricole S.A. Registration Document.

Financial assets at amortised cost

		At 31 December 2019			
		Carrying amount			
		Performing assets			
(in millions of euros)	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	357,040	813	-	357,853
	0.5% < PD ≤ 2%	107,073	1,286	-	108,359
	2% < PD ≤ 20%	61,444	31,514	-	92,958
	20% < PD < 100%	-	6,398	-	6,398
	PD = 100%	-	-	11,560	11,560
Total Retail customers		**525,557**	**40,011**	**11,560**	**577,129**
Non-retail customers	PD ≤ 0.6%	429,046	4,927	-	433,973
	0.6% < PD < 12%	86,336	12,280	-	98,616
	12% ≤ PD < 100%	-	7,365	-	7,365
	PD = 100%	-	-	11,971	11,971
Total Non-retail customers		**515,382**	**24,572**	**11,971**	**551,925**
Impairment		(1,840)	(3,664)	(13,971)	(19,475)
TOTAL		**1,039,100**	**60,919**	**9,560**	**1,109,579**

		At 31 December 2018			
		Carrying amount			
		Performing assets			
(in millions of euros)	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	321,878	1,187	-	323,065
	0.5% < PD ≤ 2%	101,459	3,107	-	104,566
	2% < PD ≤ 20%	71,144	30,427	-	101,571
	20% < PD < 100%	-	6,715	-	6,715
	PD = 100%	-	-	12,028	12,028
Total Retail customers		**494,481**	**41,436**	**12,028**	**547,945**
Non-retail customers	PD ≤ 0.6%	372,462	6,563	-	379,025
	0.6% < PD < 12%	96,099	14,139	-	110,238
	12% ≤ PD < 100%	-	3,726	-	3,726
	PD = 100%	-	-	11,462	11,462
Total Non-retail customers		**468,561**	**24,428**	**11,462**	**504,451**
Impairment		(1,851)	(3,719)	(14,370)	(19,940)
TOTAL		**961,191**	**62,145**	**9,120**	**1,032,456**

Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss

		At 31 December 2019			
		Carrying amount			
		Performing assets			
(in millions of euros)	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	51	3	-	54
	0.5% < PD ≤ 2%	-	-	-	-
	2% < PD ≤ 20%	-	-	-	-
	20% < PD < 100%	-	-	-	-
	PD = 100%	-	-	-	-
Total Retail customers		**51**	**3**	**-**	**54**
Non-retail customers	PD ≤ 0.6%	265,265	1,188	-	266,453
	0.6% < PD < 12%	359	1,426	-	1,785
	12% ≤ PD < 100%	-	6	-	6
	PD = 100%	-	-	-	-
Total Non-retail customers		**265,624**	**2,620**	**-**	**268,244**
TOTAL		**265,675**	**2,623**	**-**	**268,298**

		At 31 December 2018			
		Carrying amount			
		Performing assets			
(in millions of euros)	Credit risk rating grades	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	2	-	-	2
	0.5% < PD ≤ 2%	-	-	-	-
	2% < PD ≤ 20%	-	-	-	-
	20% < PD < 100%	-	-	-	-
	PD = 100%	-	-	-	-
Total Retail customers		**2**	**-**	**-**	**2**
Non-retail customers	PD ≤ 0.6%	255,249	1,459	-	256,708
	0.6% < PD < 12%	2,818	716	-	3,534
	12% ≤ PD < 100%	-	7	-	7
	PD = 100%	-	-	-	-
Total Non-retail customers		**258,067**	**2,182**	**-**	**260,249**
TOTAL		**258,069**	**2,182**	**-**	**260,251**

Financing commitments

(in millions of euros)	Credit risk rating grades	At 31 December 2019 – Amount of commitment – Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Performing commitments: Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	32,807	44	-	**32,851**
	0.5% < PD ≤ 2%	8,657	84	-	**8,741**
	2% < PD ≤ 20%	6,672	1,373	-	**8,045**
	20% < PD < 100%	-	344	-	**344**
	PD = 100%	-	-	124	**124**
Total Retail customers		**48,136**	**1,845**	**124**	**50,105**
Non-retail customers	PD ≤ 0.6%	133,167	1,525	-	**134,692**
	0.6% < PD < 12%	20,457	2,391	-	**22,848**
	12% ≤ PD < 100%	-	922	-	**922**
	PD = 100%	-	-	556	**556**
Total Non-retail customers		**153,624**	**4,838**	**556**	**159,018**
Provisions[1]		(330)	(309)	(109)	**(748)**
TOTAL		**201,430**	**6,374**	**571**	**208,375**

(1) *Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.*

(in millions of euros)	Credit risk rating grades	At 31 December 2018 – Amount of commitment – Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Performing commitments: Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	28,381	109	-	**28,490**
	0.5% < PD ≤ 2%	8,242	206	-	**8,448**
	2% < PD ≤ 20%	8,191	1,329	-	**9,520**
	20% < PD < 100%	-	256	-	**256**
	PD = 100%	-	-	103	**103**
Total Retail customers		**44,814**	**1,900**	**103**	**46,817**
Non-retail customers	PD ≤ 0.6%	152,297	3,368	-	**155,665**
	0.6% < PD < 12%	15,416	1,247	-	**16,663**
	12% ≤ PD < 100%	-	345	-	**345**
	PD = 100%	-	-	371	**371**
Total Non-retail customers		**167,713**	**4,960**	**371**	**173,044**
Provisions[1]		(309)	(381)	(31)	**(721)**
TOTAL		**212,218**	**6,479**	**443**	**219,140**

(1) *Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.*

Guarantee commitments

		At 31 December 2019			
		Amount of commitment			
		Performing commitments			
(in millions of euros)	Credit risk rating grades	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	1,369	18	-	**1,387**
	0.5% < PD ≤ 2%	470	1	-	**471**
	2% < PD ≤ 20%	173	84	-	**257**
	20% < PD < 100%	-	19	-	**19**
	PD = 100%	-	-	112	**112**
Total Retail customers		**2,012**	**122**	**112**	**2,246**
Non-retail customers	PD ≤ 0.6%	72,438	1,400	-	**73,838**
	0.6% < PD < 12%	9,055	1,281	-	**10,336**
	12% ≤ PD < 100%	-	1,421	-	**1,421**
	PD = 100%	-	-	3,119	**3,119**
Total Non-retail customers		**81,493**	**4,102**	**3,119**	**88,714**
Provisions[(1)]		(89)	(178)	(466)	**(733)**
TOTAL		**83,416**	**4,046**	**2,765**	**90,227**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

		At 31 December 2018			
		Amount of commitment			
		Performing commitments			
(in millions of euros)	Credit risk rating grades	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	1,162	25	-	**1,187**
	0.5% < PD ≤ 2%	496	6	-	**502**
	2% < PD ≤ 20%	392	85	-	**477**
	20% < PD < 100%	-	28	-	**28**
	PD = 100%	-	-	98	**98**
Total Retail customers		**2,050**	**144**	**98**	**2,292**
Non-retail customers	PD ≤ 0.6%	73,162	2,183	-	**75,345**
	0.6% < PD < 12%	6,465	1,090	-	**7,555**
	12% ≤ PD < 100%	-	157	-	**157**
	PD = 100%	-	-	2,845	**2,845**
Total Non-retail customers		**79,627**	**3,430**	**2,845**	**85,902**
Provisions[(1)]		(91)	(185)	(408)	**(684)**
TOTAL		**81,586**	**3,389**	**2,535**	**87,510**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

3.1.5 Credit risk concentrations by customer type

Financial assets designated at fair value through profit or loss by customer type

	31/12/2019
(in millions of euros)	Carrying amount
General administration	18
Central banks	-
Credit institutions	2
Large corporates	73
Retail customers	-
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**93**

	31/12/2018
(in millions of euros)	Carrying amount
General administration	12
Central banks	-
Credit institutions	5
Large corporates	55
Retail customers	-
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**72**

Financial assets at amortised cost by customer type

	At 31 December 2019			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	82,587	294	126	**83,007**
Central banks	26,066	-	-	**26,066**
Credit institutions	99,959	33	509	**100,501**
Large corporates	306,770	24,245	11,336	**342,351**
Retail customers	525,557	40,012	11,560	**577,129**
Impairment	(1,840)	(3,664)	(13,971)	**(19,475)**
TOTAL	**1,039,099**	**60,920**	**9,560**	**1,109,579**

	At 31 December 2018			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	76,560	292	112	**76,964**
Central banks	30,140	-	-	**30,140**
Credit institutions	87,230	76	416	**87,722**
Large corporates	280,962	25,023	10,933	**316,918**
Retail customers	488,150	40,473	12,029	**540,652**
Impairment	(1,851)	(3,719)	(14,370)	**(19,940)**
TOTAL	**961,191**	**62,145**	**9,120**	**1,032,456**

Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss by customer type

	At 31 December 2019			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	121,806	701	-	**122,507**
Central banks	384	544	-	**928**
Credit institutions	69,392	4	-	**69,396**
Large corporates	74,043	1,371	-	**75,414**
Retail customers	51	3	-	**54**
TOTAL	**265,676**	**2,623**	**-**	**268,299**

	At 31 December 2018			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
General administration	112,831	447	-	**113,278**
Central banks	1,025	-	-	**1,025**
Credit institutions	74,011	8	-	**74,019**
Large corporates	70,200	1,727	-	**71,927**
Retail customers	2	-	-	**2**
TOTAL	**258,069**	**2,182**	**-**	**260,251**

Due to customers by customer type

(in millions of euros)	31/12/2019	31/12/2018
General administration	27,036	17,997
Large corporates	298,084	272,161
Retail customers	530,387	499,677
TOTAL AMOUNT DUE TO CUSTOMERS	**855,507**	**789,835**

Financing commitments by customer type

	At 31 December 2019			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	5,518	216	31	**5,765**
Central banks	94	-	-	**94**
Credit institutions	11,884	-	1	**11,885**
Large corporates	136,770	4,622	524	**141,916**
Retail customers	47,556	1,846	124	**49,526**
Provisions[1]	(330)	(309)	(109)	**(748)**
TOTAL	**201,492**	**6,375**	**571**	**208,438**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

	At 31 December 2018			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	6,824	11	1	**6,836**
Central banks	641	-	-	**641**
Credit institutions	23,882	-	1	**23,883**
Large corporates	136,244	4,965	369	**141,578**
Retail customers	44,937	1,884	102	**46,923**
Provisions[1]	(309)	(381)	(31)	**(721)**
TOTAL	**212,219**	**6,479**	**442**	**219,140**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Guarantee commitments by customer type

(in millions of euros)	At 31 December 2019 Amount of commitment Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Performing commitments: Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	350	6	-	**356**
Central banks	511	-	-	**511**
Credit institutions	7,874	28	47	**7,949**
Large corporates	72,772	4,068	3,071	**79,911**
Retail customers	2,012	122	112	**2,246**
Provisions[1]	(89)	(177)	(466)	**(732)**
TOTAL	**83,430**	**4,047**	**2,764**	**90,241**

(1) *Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.*

(in millions of euros)	At 31 December 2018 Amount of commitment Performing commitments: Commitments subject to 12-month ECL (Bucket 1)	Performing commitments: Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
General administration	387	9	-	**396**
Central banks	568	-	-	**568**
Credit institutions	7,912	28	65	**8,005**
Large corporates	70,729	3,407	2,779	**76,915**
Retail customers	2,081	131	98	**2,310**
Provisions[1]	(91)	(185)	(408)	**(684)**
TOTAL	**81,586**	**3,390**	**2,534**	**87,510**

(1) *Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.*

3.1.6 Credit risk concentrations by geographical area

Financial assets at amortised cost by geographical area

	At 31 December 2019			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	765,087	48,885	14,394	**828,366**
Other European Union countries	152,660	8,118	6,190	**166,968**
Other European countries	21,008	934	352	**22,294**
North America	35,190	973	398	**36,561**
Central and South America	9,495	1,221	692	**11,408**
Africa and Middle East	17,546	2,241	1,247	**21,034**
Asia-Pacific (ex. Japan)	31,333	1,724	258	**33,316**
Japan	5,950	487	-	**6,437**
Supranational organisations	2,670	-	-	**2,670**
Impairment	(1,840)	(3,664)	(13,971)	**(19,475)**
TOTAL	**1,039,099**	**60,920**	**9,560**	**1,109,579**

	At 31 December 2018			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	705,835	48,520	14,255	**768,610**
Other European Union countries	151,018	8,616	6,421	**166,055**
Other European countries	18,029	1,218	376	**19,623**
North America	31,939	879	129	**32,947**
Central and South America	8,814	1,583	709	**11,106**
Africa and Middle East	14,878	2,006	1,285	**18,169**
Asia-Pacific (ex. Japan)	24,986	2,752	315	**28,053**
Japan	5,223	290	-	**5,513**
Supranational organisations	2,320	-	-	**2,320**
Impairment	(1,851)	(3,719)	(14,370)	**(19,940)**
TOTAL	**961,191**	**62,145**	**9,120**	**1,032,456**

Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss by geographical area

	At 31 December 2019			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	131,478	895	-	**132,373**
Other European Union countries	101,245	921	-	**102,166**
Other European countries	4,209	-	-	**4,209**
North America	19,003	3	-	**19,006**
Central and South America	333	-	-	**333**
Africa and Middle East	566	804	-	**1,370**
Asia-Pacific (ex. Japan)	5,569	-	-	**5,569**
Japan	639	-	-	**639**
Supranational organisations	2,634	-	-	**2,634**
TOTAL	**265,676**	**2,623**	**-**	**268,299**

	At 31 December 2018			
	Carrying amount			
	Performing assets			
(in millions of euros)	Assets subject to 12-month ECL (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
France (including overseas departments and territories)	127,771	1,095	-	**128,866**
Other European Union countries	92,497	1,087	-	**93,584**
Other European countries	4,354	-	-	**4,354**
North America	21,075	-	-	**21,075**
Central and South America	238	-	-	**238**
Africa and Middle East	1,346	-	-	**1,346**
Asia-Pacific (ex. Japan)	6,027	-	-	**6,027**
Japan	426	-	-	**426**
Supranational organisations	4,335	-	-	**4,335**
TOTAL	**258,069**	**2,182**	**-**	**260,251**

Due to customers by geographical area

(in millions of euros)	31/12/2019	31/12/2018
France (including overseas departments and territories)	644,849	599,850
Other European Union countries	131,147	115,126
Other European countries	15,881	16,610
North America	14,658	14,364
Central and South America	4,467	4,202
Africa and Middle East	18,186	12,946
Asia-Pacific (ex. Japan)	13,026	12,915
Japan	13,284	13,733
Supranational organisations	9	89
TOTAL AMOUNT DUE TO CUSTOMERS	**855,507**	**789,835**

Financing commitments by geographical area

	At 31 December 2019			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	111,021	3,491	347	**114,859**
Other European Union countries	41,941	1,498	165	**43,604**
Other European countries	6,558	175	71	**6,804**
North America[1]	26,043	1,102	80	**27,225**
Central and South America	3,395	63	17	**3,475**
Africa and Middle East	5,332	240	-	**5,572**
Asia-Pacific (ex. Japan)	6,574	85	-	**6,659**
Japan	959	29	-	**988**
Supranational organisations	-	-	-	**-**
Provisions[1]	(330)	(309)	(109)	**(748)**
TOTAL	**201,493**	**6,374**	**571**	**208,438**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

	At 31 December 2018			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	113,134	3,431	311	**116,876**
Other European Union countries	45,789	1,537	133	**47,459**
Other European countries	6,651	226	13	**6,890**
North America[1]	26,979	1,160	13	**28,152**
Central and South America	3,185	149	-	**3,334**
Africa and Middle East	5,774	155	3	**5,932**
Asia-Pacific (ex. Japan)	7,424	202	-	**7,626**
Japan	3,592	-	-	**3,592**
Supranational organisations	-	-	-	**-**
Provisions[1]	(309)	(381)	(31)	**(721)**
TOTAL	**212,219**	**6,479**	**442**	**219,140**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Guarantee commitments by geographical area

	At 31 December 2019			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	38,641	772	594	**40,007**
Other European Union countries	16,317	1,632	2,134	**20,083**
Other European countries	4,350	698	-	**5,048**
North America	10,244	635	397	**11,276**
Central and South America	1,059	1	29	**1,089**
Africa and Middle East	3,329	66	76	**3,471**
Asia-Pacific (ex. Japan)	6,732	236	-	**6,968**
Japan	2,846	185	-	**3,031**
Supranational organisations	-	-	-	**-**
Provisions[(1)]	(89)	(178)	(465)	**(732)**
TOTAL	**83,429**	**4,047**	**2,765**	**90,241**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

	At 31 December 2018			
	Amount of commitment			
	Performing commitments			
(in millions of euros)	Commitments subject to 12-month ECL (Bucket 1)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
France (including overseas departments and territories)	37,645	781	454	**38,880**
Other European Union countries	16,659	1,221	2,352	**20,232**
Other European countries	4,201	607	-	**4,808**
North America	9,829	312	24	**10,165**
Central and South America	1,485	18	69	**1,572**
Africa and Middle East	3,266	105	43	**3,414**
Asia-Pacific (ex. Japan)	5,397	298	-	**5,695**
Japan	3,195	233	-	**3,428**
Supranational organisations	-	-	-	**-**
Provisions[(1)]	(91)	(185)	(408)	**(684)**
TOTAL	**81,586**	**3,390**	**2,534**	**87,510**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

3.1.7 Information on watch list or individually impaired financial assets

Analysis of watch list or individually impaired financial assets by customer type

	31/12/2019								
	Assets without significant increase in credit risk since initial recognition (Bucket 1)			Assets with significant increase in credit risk since initial recognition but not impaired (Bucket 2)			Credit-impaired assets (Bucket 3)		
(in millions of euros)	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days
Debt securities	**914**	**-**	**-**	**-**	**357**	**-**	**-**	**-**	**-**
General administration	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-
Large corporates	914	-	-	-	357	-	-	-	-
Retail customers	-	-	-	-	-	-	-	-	-
Total financial assets	**5,615**	**1,298**	**-**	**3,133**	**1,597**	**17**	**287**	**311**	**5,992**
General administration	346	86	-	5	3	-	-	-	46
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	37	101	-	-	-	-	-	-	59
Large corporates	2,746	832	-	759	552	11	64	58	2,864
Retail customers	2,487	279	-	2,369	1,041	7	223	253	3,023
TOTAL	**6,530**	**1,298**	**-**	**3,133**	**1,954**	**17**	**287**	**311**	**5,992**

	31/12/2018								
	Assets without significant increase in credit risk since initial recognition (Bucket 1)			Assets with significant increase in credit risk since initial recognition but not impaired (Bucket 2)			Credit-impaired assets (Bucket 3)		
(in millions of euros)	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days	≤ 30 days	> 30 days up to ≤ 90 days	> 90 days
Debt securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
General administration	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-
Large corporates	-	-	-	-	-	-	-	-	-
Retail customers	-	-	-	-	-	-	-	-	-
Loans and receivables	**7,247**	**1,274**	**-**	**2,798**	**1,649**	**45**	**210**	**647**	**6,622**
General administration	413	167	-	3	1	-	-	-	67
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	108	24	-	2	1	-	-	-	-
Large corporates	3,918	692	-	482	791	10	31	313	3,519
Retail customers	2,808	391	-	2,311	856	35	179	334	3,036
TOTAL	**7,247**	**1,274**	**-**	**2,798**	**1,649**	**45**	**210**	**647**	**6,622**

3.2 MARKET RISK

(See chapter on "Risk factors – Market risk")

Derivative instruments: analysis by remaining maturity

The breakdown of market values of derivative instruments is shown by remaining contractual maturity.

Hedging derivative instruments – Fair value of assets

							31/12/2019
	Exchange-traded transactions			Over-the-counter transactions			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	-	-	-	2,638	4,677	12,868	20,183
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	2,610	4,669	12,859	20,138
Interest rate options	-	-	-	-	-	-	-
Caps – floors – collars	-	-	-	28	8	9	45
Other options	-	-	-	-	-	-	-
Currency instruments	-	-	-	150	55	14	219
Currency futures	-	-	-	150	55	14	219
Currency options	-	-	-	-	-	-	-
Other instruments	-	-	-	36	-	-	36
Others	-	-	-	36	-	-	36
Subtotal	-	-	-	2,824	4,732	12,882	20,438
Forward currency transactions	-	-	-	499	3	7	509
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – ASSETS	-	-	-	3,323	4,735	12,889	20,947

							31/12/2018
	Exchange-traded transactions			Over-the-counter transactions			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	-	-	-	1,636	5,979	7,814	15,430
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	1,546	5,971	7,810	15,328
Interest rate options	-	-	-	-	-	-	-
Caps – floors – collars	-	-	-	90	8	4	102
Other options	-	-	-	-	-	-	-
Currency	-	-	-	100	49	19	168
Currency futures	-	-	-	100	49	19	168
Currency options	-	-	-	-	-	-	-
Other instruments	-	-	-	46	-	-	46
Other	-	-	-	46	-	-	46
Subtotal	-	-	-	1,782	6,028	7,834	15,644
Forward currency transactions	-	-	-	170	4	11	185
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – ASSETS	-	-	-	1,952	6,032	7,845	15,829

Hedging derivative instruments – Fair value of liabilities

							31/12/2019
	Exchange-traded transactions			Over-the-counter transactions			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**1,754**	**5,267**	**13,001**	**20,022**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,754	5,259	13,001	**20,014**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	-	8	-	**8**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**154**	**3**	**16**	**173**
Currency futures	-	-	-	154	3	16	**173**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**24**	**-**	**-**	**24**
Others	-	-	-	24	-	-	**24**
Subtotal	**-**	**-**	**-**	**1,932**	**5,270**	**13,017**	**20,219**
Forward currency transactions	-	-	-	275	2	2	**279**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – LIABILITIES	**-**	**-**	**-**	**2,207**	**5,272**	**13,019**	**20,498**

							31/12/2018
	Exchange-traded transactions			Over-the-counter transactions			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total market value
Interest rate instruments	**-**	**-**	**-**	**1,255**	**5,553**	**8,936**	**15,744**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,246	5,548	8,936	**15,729**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	9	6	-	**15**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**111**	**3**	**5**	**119**
Currency futures	-	-	-	111	3	5	**119**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**65**	**-**	**-**	**65**
Others	-	-	-	65	-	-	**65**
Subtotal	**-**	**-**	**-**	**1,431**	**5,557**	**8,941**	**15,928**
Forward currency transactions	-	-	-	238	2	2	**242**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – LIABILITIES	**-**	**-**	**-**	**1,669**	**5,559**	**8,943**	**16,170**

Derivative instruments held for trading – Fair value of assets

	31/12/2019						
	Exchange-traded transactions			Over-the-counter transactions			Total market value
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Interest rate instruments	**9**	**2**	**-**	**2,207**	**17,554**	**50,949**	**70,721**
Futures	2	-	-	-	-	-	**2**
FRAs	-	-	-	3	44	-	**47**
Interest rate swaps	-	-	-	1,622	13,633	37,803	**53,058**
Interest rate options	-	-	-	121	2,455	11,869	**14,445**
Caps – floors – collars	-	-	-	461	1,422	1,277	**3,160**
Other options	7	2	-	-	-	-	**9**
Currency instruments	**-**	**-**	**-**	**4,217**	**3,052**	**2,932**	**10,201**
Currency futures	-	-	-	3,367	2,047	2,381	**7,796**
Currency options	-	-	-	850	1,005	550	**2,405**
Other instruments	**352**	**451**	**71**	**1,599**	**4,944**	**1,484**	**8,901**
Equity and index derivatives	352	451	71	1,323	4,815	1,113	**8,125**
Precious metal derivatives	-	-	-	43	-	-	**43**
Commodities derivatives	-	-	-	1	-	-	**1**
Credit derivatives	-	-	-	35	99	54	**188**
Others	-	-	-	197	30	317	**544**
Subtotal	**361**	**453**	**71**	**8,023**	**25,551**	**55,365**	**89,823**
Forward currency transactions	-	-	-	8,610	1,111	51	**9,773**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – ASSETS	**361**	**453**	**71**	**16,633**	**26,662**	**55,416**	**99,596**

	31/12/2018						
	Exchange-traded transactions			Over-the-counter transactions			Total market value
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Interest rate instruments	**687**	**1,460**	**2,207**	**2,319**	**16,018**	**41,579**	**64,272**
Futures	674	1,458	2,207	-	-	-	**4,340**
FRAs	-	-	-	3	-	-	**3**
Interest rate swaps	-	-	-	1,551	12,129	29,454	**43,135**
Interest rate options	-	-	-	309	2,082	10,730	**13,121**
Caps – floors – collars	-	-	-	456	1,807	1,395	**3,658**
Other options	13	2	-	-	-	-	**15**
Currency	**29**	**-**	**-**	**3,988**	**2,480**	**2,691**	**9,188**
Currency futures	29	-	-	2,929	1,596	2,218	**6,772**
Currency options	-	-	-	1,059	884	473	**2,416**
Other instruments	**563**	**245**	**51**	**1,705**	**3,659**	**1,278**	**7,503**
Equity and index derivatives	563	245	51	1,046	3,658	1,240	**6,804**
Precious metal derivatives	-	-	-	30	1	-	**31**
Commodities derivatives	-	-	-	1	-	-	**1**
Credit derivatives	-	-	-	528	-	35	**563**
Other	-	-	-	100	-	3	**104**
Subtotal	**1,279**	**1,705**	**2,258**	**8,012**	**22,157**	**45,548**	**80,963**
Forward currency transactions	-	-	-	10,932	1,155	48	**12,136**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – ASSETS	**1,279**	**1,705**	**2,258**	**18,944**	**23,312**	**45,596**	**93,099**

Derivative instruments held for trading – Fair value of liabilities

							31/12/2019
	Exchange-traded transactions			Over-the-counter transactions			Total market value
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Interest rate instruments	**143**	**-**	**-**	**2,185**	**17,253**	**51,780**	**71,361**
Futures	140	-	-	-	-	-	**140**
FRAs	-	-	-	24	-	-	**24**
Interest rate swaps	-	-	-	1,820	13,277	37,216	**52,313**
Interest rate options	-	-	-	230	2,358	12,697	**15,285**
Caps – floors – collars	-	-	-	112	1,505	1,867	**3,484**
Other options	3	-	-	-	113	-	**115**
Currency instruments	**-**	**-**	**-**	**4,432**	**2,668**	**2,602**	**9,702**
Currency futures	-	-	-	3,502	2,144	2,313	**7,959**
Currency options	-	-	-	930	524	289	**1,743**
Other instruments	**230**	**422**	**102**	**832**	**3,130**	**926**	**5,642**
Equity and index derivatives	230	422	102	355	2,663	802	**4,574**
Precious metal derivatives	-	-	-	30	1	-	**31**
Commodities derivatives	-	-	-	1	-	-	**1**
Credit derivatives	-	-	-	226	407	37	**670**
Others	-	-	-	220	59	87	**366**
Subtotal	**373**	**422**	**102**	**7,449**	**23,051**	**55,308**	**86,705**
Forward currency transactions	-	-	-	8,487	1,700	220	**10,407**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – LIABILITIES	**373**	**422**	**102**	**15,936**	**24,751**	**55,528**	**97,112**

							31/12/2018
	Exchange-traded transactions			Over-the-counter transactions			Total market value
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	
Interest rate instruments	**739**	**1,113**	**2,077**	**2,114**	**15,586**	**41,941**	**63,569**
Futures	732	1,112	2,077	-	-	-	**3,920**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,828	11,929	29,220	**42,976**
Interest rate options	-	-	-	132	1,608	10,795	**12,535**
Caps – floors – collars	-	-	-	153	1,888	1,926	**3,968**
Other options	7	1	-	1	161	-	**170**
Currency	**103**	**-**	**-**	**3,477**	**2,173**	**2,266**	**8,018**
Currency futures	103	-	-	2,441	1,862	1,889	**6,293**
Currency options	-	-	-	1,036	311	377	**1,725**
Other instruments	**251**	**518**	**190**	**1,636**	**1,778**	**1,540**	**5,914**
Equity and index derivatives	251	518	190	720	1,693	1,493	**4,865**
Precious metal derivatives	-	-	-	40	-	-	**41**
Commodities derivatives	-	-	-	-	-	-	**-**
Credit derivatives	-	-	-	760	82	41	**883**
Other	-	-	-	116	3	6	**125**
Subtotal	**1,093**	**1,631**	**2,267**	**7,227**	**19,537**	**45,747**	**77,501**
Forward currency transactions	-	-	-	11,502	1,909	13	**13,426**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – LIABILITIES	**1,093**	**1,631**	**2,267**	**18,729**	**21,446**	**45,760**	**90,927**

Derivative instruments: total commitments

(in millions of euros)	31/12/2019 Total notional amount outstanding	31/12/2018 Total notional amount outstanding
Interest rate instruments	**11,546,983**	**9,793,671**
Futures	155,916	2,630,799
FRAs	2,671,646	2,180
Interest rate swaps	7,153,325	5,771,983
Interest rate options	838,944	719,832
Caps – floors – collars	517,624	471,924
Other options	209,528	196,953
Currency instruments	**498,301**	**580,125**
Currency futures	285,748	288,760
Currency options	212,553	291,365
Other instruments	**160,084**	**127,194**
Equity and index derivatives	104,196	90,317
Precious metal derivatives	3,848	4,433
Commodities derivatives	22	8
Credit derivatives	25,089	29,196
Others	26,929	3,240
Subtotal	**12,205,368**	**10,500,990**
Forward currency transactions	2,055,084	1,879,898
TOTAL NOTIONAL AMOUNT	**14,260,452**	**12,380,888**

3.3 LIQUIDITY AND FINANCING RISK

(See chapter on "Risk factors – Asset/Liability Management")

Loans and receivables due from credit institutions and due from customers by residual maturity

	31/12/2019					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions	52,214	4,564	43,561	1,026	-	101,365
Loans and receivables due from customers (including finance leases)	124,186	92,627	313,377	396,655	5,641	932,486
Total	**176,400**	**97,191**	**356,938**	**397,681**	**5,641**	**1,033,851**
Impairment						**(19,406)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**1,014,445**

	31/12/2018					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Loans and receivables due from credit institutions	50,789	6,630	37,593	2,600	-	97,612
Loans and receivables due from customers (including finance leases)	113,648	85,027	299,730	371,559	4,192	874,156
Total	**164,437**	**91,657**	**337,323**	**374,159**	**4,192**	**971,768**
Impairment						**(19,893)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**951,875**

Due to credit institutions and to customers by residual maturity

						31/12/2019
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions	57,612	13,940	21,437	6,586	-	**99,575**
Due to customers	763,202	46,608	37,528	8,169	-	**855,507**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**820,814**	**60,548**	**58,965**	**14,755**	**-**	**955,082**

						31/12/2018
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
Due to credit institutions	52,397	11,271	24,781	7,521	-	**95,970**
Due to customers	679,787	50,415	51,741	7,892	-	**789,835**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**732,184**	**61,686**	**76,522**	**15,413**	**-**	**885,805**

Debt securities and subordinated debt

						31/12/2019
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
DEBT SECURITIES						
Interest bearing notes	2	3	8	-	-	**13**
Interbank securities	706	835	6,195	1,553	-	**9,289**
Negotiable debt securities	55,080	36,510	5,623	104	-	**97,317**
Bonds	3,454	4,891	51,157	43,537	-	**103,039**
Other debt securities	592	794	2,322	-	-	**3,708**
TOTAL DEBT SECURITIES	**59,834**	**43,033**	**65,305**	**45,194**	**-**	**213,366**
SUBORDINATED DEBT						
Dated subordinated debt	237	1,230	1,986	17,334	-	**20,787**
Undated subordinated debt	12	-	-	-	633	**645**
Mutual security deposits	1	-	-	-	167	**168**
Participating securities and loans	62	-	-	-	-	**62**
TOTAL SUBORDINATED DEBT	**312**	**1,230**	**1,986**	**17,334**	**800**	**21,662**

						31/12/2018
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	Total
DEBT SECURITIES						
Interest bearing notes	56	58	26	-	-	**140**
Interbank securities	329	1,576	6,273	2,128	-	**10,306**
Negotiable debt securities	51,823	31,940	6,773	231	-	**90,768**
Bonds	4,947	5,023	41,677	42,285	-	**93,931**
Other debt securities	887	937	1,258	-	-	**3,081**
TOTAL DEBT SECURITIES	**58,042**	**39,534**	**56,007**	**44,644**	**-**	**198,227**
SUBORDINATED DEBT						
Dated subordinated debt	231	2,232	2,639	15,470	-	**20,572**
Undated subordinated debt	-	-	-	-	1,959	**1,959**
Mutual security deposits	1	-	-	-	161	**162**
Participating securities and loans	62	-	-	-	-	**62**
TOTAL SUBORDINATED DEBT	**294**	**2,232**	**2,639**	**15,470**	**2,120**	**22,755**

Financial guarantees at risk given by expected maturity

The amounts presented correspond to the expected amount of the call of financial guarantees at risk, *i.e.* guarantees that have been impaired or are on a watch-list.

	31/12/2019					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	**Total**
Financial guarantees given	111	635	-	-	-	**746**

	31/12/2018					
(in millions of euros)	≤ 3 months	> 3 months to ≤ 1 year	> 1 year to ≤ 5 years	> 5 years	Indefinite	**Total**
Financial guarantees given	168	245	-	-	-	**413**

Contractual maturities of derivative instruments are given in Note 3.2 “Market risk”.

3.4 CASH FLOW AND FAIR VALUE INTEREST RATE AND FOREIGN EXCHANGE HEDGING

(See Note 3.2 “Market Risk” and chapter on “Risk factors – Asset/Liability Management”)

Fair value hedges

A fair value hedge modifies the risk caused by changes in the fair value of a fixed-rate financial instrument as a result of changes in interest rates. Fair value hedges transform fixed-rate assets or liabilities into floating-rate assets or liabilities.

Items hedged are principally fixed-rate loans, securities, deposits and subordinated debt.

Future cash flow hedges

A cash flow hedge modifies the risk related to variability in cash flows arising from floating-rate financial instruments.

Items hedged are principally floating-rate loans and deposits.

Hedge of net investment in foreign currency

A hedge of a net investment in foreign currency modifies the risk inherent in exchange rate fluctuations connected with foreign currency investments in subsidiaries.

Hedging derivative instruments

	31/12/2019		
	Market value		Notional amount
(in millions of euros)	Positive	Negative	
Fair value hedges	**18,888**	**20,147**	**988,903**
Interest rate	18,442	19,914	947,732
Foreign exchange	446	233	41,171
Others	-	-	-
Cash flow hedges	**2,048**	**318**	**65,313**
Interest rate	1,741	107	27,557
Foreign exchange	271	187	37,632
Others	36	24	124
Hedges of net investments in foreign operations	**11**	**33**	**2,879**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**20,947**	**20,498**	**1,057,095**

	31/12/2018		
	Market value		Notional amount
(in millions of euros)	Positive	Negative	
Fair value hedges	**14,132**	**15,742**	**948,264**
Interest rate	13,881	15,514	910,644
Foreign exchange	251	228	37,620
Other	-	-	-
Cash flow hedges	**1,687**	**381**	**62,618**
Interest rate	1,548	231	28,325
Foreign exchange	93	85	34,153
Other	46	65	140
Hedges of net investments in foreign operations	**9**	**48**	**4,543**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**15,828**	**16,171**	**1,015,425**

Derivative instruments: analysis by remaining maturity (notionals)

The breakdown of notionals values of derivative instruments is shown by remaining contractual maturity.

	31/12/2019						
	Exchange-traded			Over-the-counter			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total notional
Interest rate instruments	**-**	**-**	**-**	**375,298**	**286,535**	**313,456**	**975,289**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	375,197	284,651	310,157	**970,005**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	101	1,884	3,299	**5,284**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**9,658**	**1,051**	**-**	**10,709**
Currency futures	-	-	-	9,658	1,051	-	**10,709**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**124**	**-**	**-**	**124**
Others	-	-	-	124	-	-	**124**
Subtotal	**-**	**-**	**-**	**385,080**	**287,586**	**313,456**	**986,122**
Forward currency transactions	-	-	-	68,264	785	1,924	**70,973**
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**-**	**-**	**-**	**453,344**	**288,371**	**315,380**	**1,057,095**

Note 3.2 "Market risk – Derivative instruments: analysis by remaining maturity" breaks down the market value of hedging derivative instruments by remaining contractual maturity.

	31/12/2018						
	Exchange-traded			Over-the-counter			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total notional
Interest rate instruments	**-**	**-**	**-**	**295,698**	**315,834**	**327,437**	**938,969**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	294,786	314,433	324,029	**933,248**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	912	1,401	3,408	**5,721**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**12,350**	**1,984**	**-**	**14,334**
Currency futures	-	-	-	12,350	1,984	-	**14,334**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**140**	**-**	**-**	**140**
Other	-	-	-	140	-	-	**140**
Subtotal	**-**	**-**	**-**	**308,188**	**317,818**	**327,437**	**953,443**
Forward currency transactions	-	-	-	57,192	2,082	2,707	**61,981**
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**-**	**-**	**-**	**365,380**	**319,900**	**330,144**	**1,015,424**

Fair value hedge

Hedging derivative instruments

	31/12/2019			
	Carrying amount			
(in millions of euros)	Assets	Liabilities	Changes in fair value during the period (of which end of hedges during the period)	Notional Amount
Fair value hedges				
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Over-the-counter markets	**6,145**	**7,256**	**1,395**	**301,295**
Interest rate	5,699	7,023	1,251	260,124
Futures	5,698	7,023	1,288	259,338
Options	1	-	(37)	786
Foreign exchange	446	233	144	41,171
Futures	446	233	144	41,171
Options	-	-	-	-
Others	-	-	-	-
Total Fair value micro-hedging	**6,145**	**7,256**	**1,395**	**301,295**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	12,743	12,891	(651)	687,608
TOTAL FAIR VALUE HEDGES	**18,888**	**20,147**	**744**	**988,903**

Changes in the fair value of hedging derivatives are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

	31/12/2018			
	Carrying amount			
(in millions of euros)	Assets	Liabilities	Changes in fair value during the period (of which end of hedges during the period)	Notional Amount
Fair value hedges				
Exchange-traded	-	-	-	-
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Over-the-counter markets	**3,278**	**6,268**	**788**	**242,171**
Interest rate	3,027	6,040	753	204,551
Futures	2,942	6,040	735	203,619
Options	85	-	18	932
Foreign exchange	251	228	35	37,620
Futures	251	228	35	37,620
Options	-	-	-	-
Other	-	-	-	-
Total Fair value microhedging	**3,278**	**6,268**	**788**	**242,171**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	10,854	9,474	(1,420)	706,093
TOTAL FAIR VALUE HEDGES	**14,132**	**15,742**	**(632)**	**948,264**

Hedged items

Micro-hedging	31/12/2019			
	Present hedges		Ended hedges	
(in millions of euros)	Carrying amount	of which accumulated fair value hedge adjustments	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be amortised	Fair value hedge adjustments during the period (including termination of hedges during the period)
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**31,776**	**68**	**-**	**200**
Interest rate	31,776	68	-	203
Foreign exchange	-	-	-	(3)
Others	-	-	-	-
Debt instruments at amortised cost	**101,828**	**3,284**	**2**	**906**
Interest rate	89,219	3,284	2	1,012
Foreign exchange	12,609	-	-	(106)
Others	-	-	-	-
Total fair value hedges on assets items	**133,604**	**3,352**	**2**	**1,106**
Debt instruments at amortised cost	**158,028**	**4,555**	**4**	**2,504**
Interest rate	136,002	4,497	4	2,463
Foreign exchange	22,026	58	-	41
Others	-	-	-	-
Total fair value hedges on liabilities items	**158,028**	**4,555**	**4**	**2,504**

The fair value of the hedged portions of macro-hedged financial instruments at fair value is recognised under "Revaluation adjustment on interest rate hedged portfolios" on the balance sheet. Changes in the fair value of the hedged portions of macro-hedged financial instruments at fair value are recognised under "Net gains (losses) on financial instruments at fair value through profit or loss" in the income statement.

Micro-hedging				31/12/2018
		Present hedges	Ended hedges	
(in millions of euros)	Carrying amount	of which accumulated fair value hedge adjustments	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be amortised	**Fair value hedge adjustments during the period (including termination of hedges during the period)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**36,789**	**449**	**-**	**(254)**
Interest rate	36,739	449	-	(254)
Foreign exchange	50	-	-	-
Other	-	-	-	-
Debt instruments at amortised cost	**78,381**	**2,399**	**2**	**(3)**
Interest rate	62,541	2,397	2	(60)
Foreign exchange	15,840	2	-	57
Other	-	-	-	-
Total fair value hedges on assets items	**115,170**	**2,848**	**2**	**(257)**
Debt instruments at amortised cost	**108,604**	**2,034**	**18**	**531**
Interest rate	100,648	1,887	18	422
Foreign exchange	7,956	147	-	109
Other	-	-	-	-
Total fair value hedges on liabilities items	**108,604**	**2,034**	**18**	**531**

Macro-hedging		31/12/2019
(in millions of euros)	Carrying amount	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be adjusted, on ended hedges
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	6,424	-
Debt instruments at amortised cost	423,580	396
Total – Assets	**430,004**	**396**
Debt instruments at amortised cost	264,911	195
Total – Liabilities	**264,911**	**195**

Macro-hedging		31/12/2018
(in millions of euros)	Carrying amount	Accumulated fair value hedge adjustments to be adjusted for hedging remaining to be adjusted, on ended hedges
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	159	-
Debt instruments at amortised cost	358,886	436
Total – Assets	**359,045**	**436**
Debt instruments at amortised cost	382,353	557
Total – Liabilities	**382,353**	**557**

The fair value of the hedged portions of macro-hedged financial instruments at fair value is recognised under “Revaluation adjustment on interest rate hedged portfolios” on the balance sheet. Changes in the fair value of the hedged portions of macro-hedged financial instruments at fair value are recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

Gains (Losses) from hedge accounting

	31/12/2019		
	Net Income (Total Gains (losses) from hedge accounting)		
(in millions of euros)	Change in fair value of hedging derivatives (including termination of hedges)	Change in fair value of hedged items (including termination of hedges)	Hedge ineffectiveness portion
Interest rate	600	(623)	(23)
Foreign exchange	144	(149)	(5)
Others	-	-	-
TOTAL	**744**	**(772)**	**(28)**

	31/12/2018		
	Net Income (Total Gains (losses) from hedge accounting)		
(in millions of euros)	Change in fair value of hedging derivatives (including termination of hedges)	Change in fair value of hedged items (including termination of hedges)	Hedge ineffectiveness portion
Interest rate	(667)	674	7
Foreign exchange	35	(52)	(16)
Other	-	-	-
TOTAL	**(632)**	**622**	**(9)**

Cash flow hedges and Hedges of net investments in foreign operation (NIH)

Hedging derivative instruments

	31/12/2019			
	Carrying amount			
(in millions of euros)	Assets	Liabilities	Changes in fair value during the period (including termination of hedges during the period)	Notional amount
Cash flow hedges				
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Over-the-counter markets	**1,250**	**259**	**105**	**38,055**
Interest rate	955	82	122	7,441
Futures	955	82	122	7,426
Options	-	-	-	15
Foreign exchange	258	154	(17)	30,489
Futures	258	154	(17)	30,489
Options	-	-	-	-
Others	37	23	-	125
Total Cash flow micro-hedging	**1,250**	**259**	**105**	**38,055**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	785	25	163	20,116
Cash flow hedges of the foreign exchange exposure of a portfolio of financial instruments	13	33	(2)	7,142
Total Cash flow macro-hedging	**798**	**58**	**161**	**27,258**
TOTAL CASH FLOW HEDGES	**2,048**	**318**	**266**	**65,313**
Hedges of net investments in foreign operations	**11**	**33**	**(13)**	**2,879**

Changes in the fair value of hedging derivatives are recognised under “Other comprehensive income” save for the ineffective portion of the hedging relationship which is recognised under “Net gains (losses) on financial instruments at fair value through profit or loss” in the income statement.

	31/12/2018			
	Carrying amount			
(in millions of euros)	Assets	Liabilities	Changes in fair value during the period (including termination of hedges during the period)	Notional amount
Cash flow hedges				
Exchange-traded	-	-	-	-
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Over-the-counter markets	**1,188**	**182**	**(21)**	**32,696**
Interest rate	1,080	88	(19)	7,639
Futures	1,080	88	(19)	7,624
Options	-	-	-	15
Foreign exchange	62	29	(2)	24,917
Futures	62	29	(2)	24,917
Options	-	-	-	-
Other	46	65	-	140
Total Cash flow micro-hedging	**1,188**	**182**	**(21)**	**32,696**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	468	142	(76)	20,686
Cash flow hedges of the foreign exchange exposure of a portfolio of financial instruments	31	57	(1)	9,236
Total Cash flow macro-hedging	**499**	**199**	**(77)**	**29,922**
TOTAL CASH FLOW HEDGES	**1,687**	**381**	**(98)**	**62,618**
Hedges of net investments in foreign operations	**9**	**48**	**(5)**	**4,543**

Gains (losses) from hedge accounting

	31/12/2019		
	Other comprehensive income on items that may be reclassified to profit and loss		Net income (Hedge accounting income or loss)
(in millions of euros)	Effective portion of the hedge recognised during the period	Amount reclassified from other comprehensive income into profit or loss during the period	Hedge ineffectiveness portion
Cash flow hedges	-	-	-
Interest rate	263	-	-
Foreign exchange	(12)	-	-
Commodities	-	-	-
Others	-	-	-
Total Cash flow hedges	**251**	-	-
Hedges of net investments in foreign operations	**(10)**	-	-
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**241**	**-**	**-**

	31/12/2018		
	Other comprehensive income on items that may be reclassified to profit and loss		Net income (Hedge accounting income or loss)
(in millions of euros)	Effective portion of the hedge recognised during the period	Amount reclassified from other comprehensive income into profit or loss during the period	Hedge ineffectiveness portion
Cash flow hedges	**-**	**-**	**-**
Interest rate	(95)	-	1
Foreign exchange	(3)	-	-
Commodities	-	-	-
Other	**-**	**-**	**-**
Total Cash flow hedges	**(98)**	**-**	**1**
Hedges of net investments in foreign operations	**5**	**7**	**-**
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**(93)**	**7**	**1**

3.5 OPERATIONAL RISKS

(See chapter on "Risk factors – Operational risks")

3.6 CAPITAL MANAGEMENT AND REGULATORY RATIOS

The Crédit Agricole S.A. Finance department is tasked with ensuring the adequacy of liquidity and capital between the requirements generated by the Group's global operations and its liquidity and capital financial resources. It is responsible for monitoring the prudential and regulatory ratios (solvency, liquidity, leverage, resolution) of Crédit Agricole Group and of Crédit Agricole S.A. To this end, it sets out the principles and ensures a cohesive financial management system throughout the Group.

Information on capital management and compliance with regulatory ratios as required by IAS 1 is presented in the Chapter "Risk factors and Pillar 3".

The Group's management of banking risks is handled by the Group Risk Management and Permanent Controls department. This department reports to the Chief Executive Officer of Crédit Agricole S.A. and its task is to control credit, financial and operational risks.

A description of these processes and commentary appear in the chapter on "Risk factors" in the management report, as allowed by IFRS 7 standard. Nonetheless, the accounting breakdowns are still presented in the financial statements.

NOTE 4 Notes on net income and other comprehensive income

4.1 INTEREST INCOME AND EXPENSES

(in millions of euros)	31/12/2019	31/12/2018
On financial assets at amortised cost	**25,537**	**24,637**
Interbank transactions	1,725	1,684
Crédit Agricole internal transactions	2	3
Customer transactions	21,867	21,097
Finance leases	844	959
Debt securities	1,099	894
On financial assets recognised at fair value through other comprehensive income	**5,403**	**5,683**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	5,403	5,683
Accrued interest receivable on hedging instruments	**2,532**	**2,750**
Other interest income	**37**	**39**
INTEREST AND SIMILAR INCOME(1)	**33,509**	**33,110**
On financial liabilities at amortised cost	**(13,108)**	**(12,452)**
Interbank transactions	(1,367)	(1,284)
Crédit Agricole internal transactions	(2)	(1)
Customer transactions	(7,182)	(6,550)
Finance leases	(144)	(271)
Debt securities	(3,762)	(3,483)
Subordinated debt	(651)	(863)
Accrued interest receivable on hedging instruments	**(2,313)**	**(2,119)**
Other interest expenses(2)	**(91)**	**(22)**
INTEREST AND SIMILAR EXPENSES	**(15,512)**	**(14,594)**

(1) *Including €339 million in impaired receivables* (Bucket 3) *at 31 December 2019.*

(2) *Including expenses relating to IFRS 16 lease liabilities.*

4.2 FEES AND COMMISSIONS INCOME AND EXPENSE

	31/12/2019			31/12/2018		
(in millions of euros)	Income	Expense	Net	Income	Expense	Net
Interbank transactions	266	(53)	213	225	(53)	172
Customer transactions	3,662	(259)	3,403	3,892	(281)	3,611
Securities transactions	49	(100)	(51)	38	(80)	(42)
Foreign exchange transactions	52	(44)	8	44	(44)	-
Derivative instruments and other off-balance sheet items	340	(242)	98	212	(193)	19
Payment instruments and other banking and financial services	4,468	(1,928)	2,540	4,457	(1,834)	2,623
Mutual funds management, fiduciary and similar operations	4,884	(1,536)	3,348	4,973	(1,668)	3,305
TOTAL FEES AND COMMISSIONS INCOME AND EXPENSE	**13,721**	**(4,162)**	**9,559**	**13,841**	**(4,153)**	**9,688**

Large customers and Retail banking (French and International) are the main contributors of the commission income from the Savings Management and Insurance and Specialized Financial Services businesses.

Commission income from managing Mutual funds, trusts and similar activities are mainly related to savings and insurance management activities.

4.3 NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in millions of euros)	31/12/2019	31/12/2018
Dividends received	1,535	1,103
Unrealised or realised gains (losses) on assets/liabilities held for trading	3,890	93
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	3,519	(1,380)
Unrealised or realised gains (losses) on debt instruments at fair value through profit or loss	3,088	(1,003)
Net gains (losses) on assets backing unit-linked contracts	6,440	(3,351)
Unrealised or realised gains (losses) on assets/liabilities designated at fair value through profit or loss[1]	(1,767)	(139)
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	767	1,753
Gains (losses) from hedge accounting	(28)	(9)
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**17,446**	**(2,934)**

(1) Except spread of issuer loan for liabilities at fair value through equity non-recyclable.

Analysis of net gains (losses) from hedge accounting:

			31/12/2019
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**10,252**	**(10,255)**	**(3)**
Changes in fair value of hedged items attributable to hedged risks	4,380	(5,778)	(1,398)
Changes in fair value of hedging derivatives (including termination of hedges)	5,872	(4,477)	1,395
Cash flow hedges	**-**	**-**	**-**
Changes in fair value of hedging derivatives – ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Changes in fair value of hedging derivatives – ineffective portion	-	-	-
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	**19,665**	**(19,690)**	**(25)**
Changes in fair value of hedged items	10,109	(9,483)	626
Changes in fair value of hedging derivatives	9,556	(10,207)	(651)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**-**	**-**	**-**
Changes in fair value of hedging instrument – ineffective portion	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**29,917**	**(29,945)**	**(28)**

			31/12/2018
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**7,806**	**(7,803)**	**3**
Changes in fair value of hedged items attributable to hedged risks	3,395	(4,180)	(785)
Changes in fair value of hedging derivatives (including termination of hedges)	4,411	(3,623)	788
Cash flow hedges	**-**	**-**	**-**
Changes in fair value of hedging derivatives – ineffective portion	-	-	-
Hedges of net investments in foreign operations	**-**	**-**	**-**
Changes in fair value of hedging derivatives – ineffective portion	-	-	-
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	**13,558**	**(13,571)**	**(13)**
Changes in fair value of hedged items	7,374	(5,967)	1,407
Changes in fair value of hedging derivatives	6,184	(7,604)	(1,420)
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	**1**	**-**	**1**
Changes in fair value of hedging instrument – ineffective portion	1	-	1
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**21,365**	**(21,374)**	**(9)**

Details of gains (losses) from hedge accounting by type of relationship (fair value hedges, cash flow hedges, etc.) are presented in Note 3.4 “Hedge accounting”.

4.4 NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

(in millions of euros)	31/12/2019	31/12/2018
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss[1]	167	71
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)[2]	169	160
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**336**	**231**

(1) Excluding realised gains or losses from impaired debt instruments (Bucket 3) mentioned in Note 4.9 "Cost of risk".

(2) Of which dividends on equity instruments at fair value through non-recyclable equity derecognised during the period for €76 million.

4.5 NET GAINS (LOSSES) FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST

(in millions of euros)	31/12/2019	31/12/2018
Debt securities	8	5
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	-	-
Loans and receivables due from customers	1	-
Gains arising from the derecognition of financial assets at amortised cost	**9**	**5**
Debt securities	(2)	(1)
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	-	-
Loans and receivables due from customers	(17)	(5)
Losses arising from the derecognition of financial assets at amortised cost	**(19)**	**(6)**
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST[1]	**(10)**	**(1)**

(1) Excluding realised gains or losses from the derecognition of impaired debt instruments (Bucket 3) mentioned in Note 4.9 "Cost of risk".

4.6 NET INCOME (EXPENSES) ON OTHER ACTIVITIES

(in millions of euros)	31/12/2019	31/12/2018
Gains (losses) on fixed assets not used in operations	(22)	(2)
Other net income from insurance activities[1]	14,252	11,578
Change in insurance technical reserves[2]	(26,373)	(5,235)
Net income from investment property	172	302
Other net income (expense)	386	405
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**(11,585)**	**7,048**

(1) The €2,673 million increase in Other net income from insurance activities was mainly due to an increase in net inflows in the amount of €3,500 million of which €2,800 million on the Retirement Savings activity.

(2) The €21,137 million increase in insurance company technical reserves is due in the main to the net positive inflows and the adjustments evolution of the value on the unit-linked policies.

4.7 OPERATING EXPENSES

(in millions of euros)	31/12/2019	31/12/2018
Employee expenses	(12,656)	(12,198)
Taxes other than on income or payroll-related and regulatory contributions[1]	(1,216)	(1,171)
External services and other operating expenses	(6,217)	(6,897)
OPERATING EXPENSES	**(20,088)**	**(20,266)**

(1) Of which -€424 million recognised in relation to the Single Resolution Fund at 31 December 2019.

Fees paid to Statutory Auditors

The breakdown of fees paid to Statutory Auditors by firm and type of engagement by fully consolidated Crédit Agricole S.A. Group companies was as follows in 2019:

Board of Auditors of Crédit Agricole S.A Group

	Ernst & Young		PricewaterhouseCoopers		
(in millions of euros excluding taxes)	2019	2018	2019	2018	Total 2019
Independant audit, certification, review of parent company and consolidated financial statements	**19.91**	**20.45**	**15.89**	**15.45**	**35.80**
Issuer	1.90	2.08	1.92	2.12	**3.82**
Fully consolidated subsidiaries	18.01	18.37	13.97	13.33	**31.98**
Non audit services	**6.37**	**5.86**	**6.15**	**5.35**	**12.52**
Issuer	0.46	0.70	0.96	1.08	**1.42**
Fully consolidated subsidiaries	5.91	5.16	5.19	4.27	**11.10**
TOTAL	**26.28**	**26.31**	**22.04**	**20.80**	**48.32**

The total sum of fees paid to PricewaterhouseCoopers Audit, statutory auditor of Crédit Agricole S.A., appearing in the consolidated income statement for the year, amounts to €11.3 million, of which €9.8 million relates to the certification of the accounts of Crédit Agricole S.A. and its subsidiaries, and €1.5 million relates to non-audit services (comfort letters, agreed-upon procedures, responsibility statements, services relating to social and environmental information, consultations, etc.).

The total sum of fees paid to Ernst & Young & Autres, statutory auditor of Crédit Agricole S.A., appearing in the consolidated income statement for the year, amounts to €10.5 million, of which €8.7 million relates to the certification of the accounts of Crédit Agricole S.A. and its subsidiaries, and €1.8 million relates to non-audit services (comfort letters, agreed-upon procedures, responsibility statements, review of tax returns, consultations, etc.).

Other Statutory Auditors engaged in the audit of fully consolidated Crédit Agricole Group Subsidiaries

	Mazars		KPMG		Deloitte		Other		
(in millions of euros excluding taxes)	2019	2018	2019	2018	2019	2018	2019	2018	Total 2019
Independant audit, certification, review of parent company and consolidated financial statements	2.39	2.55	2.01	1.77	0.19	0.21	1.65	1.73	6.24
Non audit services(1)	0.16	0.27	0.15	0.18	-	0.03	0.10	0.12	0.41
TOTAL	**2.55**	**2.82**	**2.16**	**1.95**	**0.19**	**0.24**	**1.75**	**1.85**	**6.65**

(1) Services other than the certification of the accounts listed correspond to the assignments carried out by these firms in the companies where they are Statutory Auditors.

4.8 DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(in millions of euros)	31/12/2019	31/12/2018
Depreciation and amortisation	**(1,723)**	**(1,193)**
Property, plant and equipment(1)	(1,289)	(817)
Intangible assets	(434)	(376)
Impairment losses (reversals)	**(1)**	**5**
Property, plant and equipment	1	1
Intangible assets	(2)	4
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(1,724)**	**(1,188)**

(1) Of which -€420 million recognised for depreciation on the right-of-use asset at 31December 2019.

4.9 COST OF RISK

(in millions of euros)	31/12/2019	31/12/2018
Charges net of reversals to impairments on performing assets (Bucket 1 or Bucket 2) (A)	116	(25)
Bucket 1: Loss allowance measured at an amount equal to 12-month expected credit loss	**(19)**	**(44)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(2)	2
Debt instruments at amortised cost	-	(18)
Commitments by signature	(17)	(28)
Bucket 2: Loss allowance measured at an amount equal to lifetime expected credit loss	**135**	**19**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	1	-
Debt instruments at amortised cost	48	(46)
Commitments by signature	86	65
Charges net of reversals to impairments on credit-impaired assets (Bucket 3) (B)	(1,768)	(1,513)
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(1,599)	(1,602)
Commitments by signature	(170)	89
Others (C)	(170)	-
Risks and expenses (D)	45	(65)
Charges net of reversals to impairment losses and provisions (E = A + B + C + D)	**(1,777)**	**(1,603)**
Realised gains (losses) on disposal of impaired debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Realised gains (losses) on impaired debt instruments at amortised cost	-	-
Losses on non-impaired loans and bad debt	(270)	(280)
Recoveries on loans and receivables written off	396	238
Recognised at amortised cost	396	238
Recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	(37)	(40)
Losses on commitments by signature	(1)	(4)
Other losses	(82)	(44)
Other gains	14	14
COST OF RISK	**(1,757)**	**(1,719)**

4.10 NET GAINS (LOSSES) ON OTHER ASSETS

(in millions of euros)	31/12/2019	31/12/2018
Property, plant & equipment and intangible assets used in operations	**42**	**74**
Gains on disposals	72	106
Losses on disposals	(30)	(32)
Consolidated equity investments	**13**	**15**
Gains on disposals	16	15
Losses on disposals	(3)	-
Net income (expense) on combinations	**(19)**	**(3)**
NET GAINS (LOSSES) ON OTHER ASSETS	**36**	**87**

4.11 TAX

Income tax charge

(in millions of euros)	31/12/2019	31/12/2018
Current tax charges	(1,881)	(2,552)
Deferred tax charge	93	(34)
Reclassification of current tax charge (income) related to overlay approach	51	(147)
TOTAL TAX CHARGE	**(1,737)**	**(2,733)**

Reconciliation of theoretical tax rate and effective tax rate

At 31 December 2019

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	9,764	34.43%	(3,362)
Impact of permanent differences		(12.37)%	1,207
Impact of different tax rates on foreign subsidiaries		(2.11)%	206
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.46%	(45)
Impact of reduced tax rate		(1.05)%	102
Impact of other items		(1.58)%	155
EFFECTIVE TAX RATE AND TAX CHARGE(1)		**17.79%**	**(1,737)**

(1) Excluding Emporiki tax product (see Note 2.8), the effective tax rate was 28.70% as of December 31, 2019 compared to 28.02% as of December 31, 2018.

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2019.

At 31 December 2018

(in millions of euros)	Base	Tax rate	Tax
Pre-tax income, goodwill impairment, discontinued operations and share of net income of equity-accounted entities	9,753	34.43%	(3,358)
Impact of permanent differences		(0.74)%	72
Impact of different tax rates on foreign subsidiaries		(2.97)%	290
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.18%	(18)
Impact of reduced tax rate		(1.17)%	115
Impact of other items		(1.70)%	166
EFFECTIVE TAX RATE AND TAX CHARGE		**28.02%**	**(2,733)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2018.

4.12 CHANGES IN OTHER COMPREHENSIVE INCOME

The breakdown of income and expenses recognised for the period is presented below:

Breakdown of total other comprehensive income

(in millions of euros)	31/12/2019	31/12/2018
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS OF INCOME TAX		
Gains and losses on translation adjustments	**313**	**259**
Revaluation adjustment of the period	313	252
Reclassified to profit or loss	-	7
Other changes	-	-
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**1,185**	**(1,340)**
Revaluation adjustment of the period	1,296	(1,259)
Reclassified to profit or loss	(157)	(65)
Other changes	46	(16)
Gains and losses on hedging derivative instruments	**360**	**(153)**
Revaluation adjustment of the period	363	(122)
Reclassified to profit or loss	-	-
Other changes	(3)	(31)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	**435**	**(356)**
Revaluation adjustment of the period	445	(291)
Reclassified to profit or loss	-	-
Other changes	(10)	(65)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**7**	**(11)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**(493)**	**570**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**1**	**1**
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**(11)**	**(2)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss of income tax	**1,797**	**(1,032)**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS NET OF INCOME TAX		
Actuarial gains and losses on post-employment benefits	(212)	50
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**(77)**	**387**
Revaluation adjustment of the period	(88)	369
Reclassified to reserves	11	18
Other changes	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**309**	**251**
Revaluation adjustment of the period	323	172
Reclassified to reserves	20	68
Other changes	(34)	11
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**(24)**	**1**
Income tax related to items that will not be reclassified excluding equity-accounted entities	**45**	**(271)**
Income tax related to items that will not be reclassified on equity-accounted entities	**6**	**(3)**
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	**3**	**5**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss net of income tax	**50**	**420**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**1,847**	**(612)**
Of which Group share	1,808	(585)
Of which non-controlling interests	39	(27)

Breakdown of tax impacts related to other comprehensive income

(in millions of euros)	31/12/2018 Gross	31/12/2018 Income tax charges	31/12/2018 Net of income tax	31/12/2018 Net of income tax of which Group Share	Changes Gross	Changes Income tax charges	Changes Net of income tax	Changes Net of income tax of which Group Share	31/12/2019 Gross	31/12/2019 Income tax charges	31/12/2019 Net of income tax	31/12/2019 Net of income tax of which Group Share
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS												
Gains and losses on translation adjustments	(202)	(4)	(206)	(105)	313	-	313	289	111	(4)	107	184
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	2,465	(657)	1,808	1,825	1,185	(312)	873	847	3,650	(969)	2,681	2,672
Gains and losses on hedging derivative instruments	446	(126)	320	319	360	(116)	244	245	806	(242)	564	564
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	153	151	304	302	435	(65)	370	369	588	86	674	671
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**2,862**	**(636)**	**2,226**	**2,341**	**2,293**	**(493)**	**1,800**	**1,750**	**5,155**	**(1,129)**	**4,026**	**4,091**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(27)	1	(26)	(21)	7	1	8	8	(20)	2	(18)	(13)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	13	(1)	12	12	(11)	-	(11)	(11)	2	(1)	1	1
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**2,848**	**(636)**	**2,212**	**2,332**	**2,289**	**(492)**	**1,797**	**1,747**	**5,137**	**(1,128)**	**4,009**	**4,079**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS												
Actuarial gains and losses on post-employment benefits	(988)	241	(747)	(729)	(212)	39	(173)	(162)	(1,200)	280	(920)	(891)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	(137)	36	(101)	(101)	(77)	22	(55)	(56)	(214)	58	(156)	(157)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	(33)	(110)	(143)	(155)	309	(16)	293	293	276	(126)	150	138
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(1,158)**	**167**	**(991)**	**(985)**	**20**	**45**	**65**	**75**	**(1,138)**	**212**	**(926)**	**(910)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	(23)	(15)	(38)	(38)	(24)	6	(18)	(17)	(47)	(9)	(56)	(55)
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	(2)	-	(2)	(2)	3	-	3	3	1	-	1	1
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(1,183)**	**152**	**(1,031)**	**(1,025)**	**(1)**	**51**	**50**	**61**	**(1,184)**	**203**	**(981)**	**(964)**
OTHER COMPREHENSIVE INCOME	**1,665**	**(484)**	**1,181**	**1,307**	**2,288**	**(441)**	**1,847**	**1,808**	**3,953**	**(925)**	**3,028**	**3,115**

(in millions of euros)	31/12/2017				01/01/2018				Changes				31/12/2018			
	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Income tax charges	Net of income tax	Net of income tax of which Group Share
OTHER COMPREHENSIVE INCOME ON ITEMS THAT MAY BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS																
Gains and losses on translation adjustments	(465)	(4)	(469)	(350)	(461)	(5)	(466)	(348)	259	1	260	243	(202)	(4)	(206)	(105)
Gains and losses on available-for-sale financial assets	5,613	(1,121)	4,492	4,475												
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-	-	-	3,805	(1,011)	2,793	2,785	(1,340)	354	(986)	(960)	2,465	(657)	1,808	1,825
Gains and losses on hedging derivative instruments	597	(172)	425	422	599	(175)	424	422	(153)	49	(104)	(103)	446	(126)	320	319
Reclassification of net gains (losses) of designated financial assets applying the overlay approach					509	(15)	494	492	(356)	166	(190)	(190)	153	151	304	302
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**5,745**	**(1,297)**	**4,448**	**4,547**	**4,452**	**(1,206)**	**3,245**	**3,351**	**(1,590)**	**570**	**(1,020)**	**(1,010)**	**2,862**	**(636)**	**2,226**	**2,341**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(30)	(9)	(39)	(38)	(16)	-	(15)	(13)	(11)	1	(10)	(8)	(27)	1	(26)	(21)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	14	(1)	13	14	15	(1)	14	14	(2)	-	(2)	(2)	13	(1)	12	12
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**5,729**	**(1,307)**	**4,422**	**4,523**	**4,451**	**(1,207)**	**3,244**	**3,352**	**(1,603)**	**571**	**(1,032)**	**(1,020)**	**2,848**	**(636)**	**2,212**	**2,332**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS																
Actuarial gains and losses on post-employment benefits	(1,037)	252	(785)	(774)	(1,038)	252	(785)	(773)	50	(12)	38	45	(988)	241	(747)	(729)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	-	-	-	-	(524)	175	(349)	(349)	387	(139)	248	248	(137)	36	(101)	(101)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	-	-	-	-	(284)	10	(274)	(294)	251	(120)	131	139	(33)	(110)	(143)	(155)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(1,037)**	**252**	**(785)**	**(774)**	**(1,846)**	**437**	**(1,408)**	**(1,416)**	**688**	**(271)**	**417**	**432**	**(1,158)**	**167**	**(991)**	**(985)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	(11)	2	(9)	(9)	(24)	(12)	(36)	(36)	1	(3)	(2)	(2)	(23)	(15)	(38)	(38)
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	(7)	-	(7)	(7)	(7)	-	(7)	(7)	5	-	5	5	(2)	-	(2)	(2)
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(1,055)**	**254**	**(801)**	**(790)**	**(1,877)**	**425**	**(1,451)**	**(1,460)**	**694**	**(274)**	**420**	**435**	**(1,183)**	**152**	**(1,031)**	**(1,025)**
OTHER COMPREHENSIVE INCOME	**4,674**	**(1,053)**	**3,621**	**3,733**	**2,574**	**(782)**	**1,793**	**1,892**	**(909)**	**297**	**(612)**	**(585)**	**1,665**	**(484)**	**1,181**	**1,307**

NOTE 5 Segment reporting

Definition of operating segments

According to IFRS 8, information disclosed is based on the internal reporting that is used by the Executive Committee to manage Crédit Agricole Group, to assess performance and to make decisions about resources to be allocated to the identified operating segments.

Operating segments according to the internal reporting consist of the business lines of the Group.

At 31 December 2019, Crédit Agricole Group's business activities were organised into seven operating segments:

- the following six business lines:
  - French Retail Banking – Regional Banks,
  - French Retail Banking – LCL,
  - International Retail Banking,
  - Asset Gathering,
  - Specialised Financial Services,
  - Large Customers;
- as well as the "Corporate Centre".

Presentation of business line

1. French Retail Banking – Regional Bank

This business line comprises the Regional Banks and their subsidiaries.

The Regional Banks have a strong local presence, providing banking services for individual customers, farmers, small businesses, corporates and local authorities.

Crédit Agricole Regional Banks provide a full range of banking and financial products and services: savings products (money market, bonds, securities), life insurance products, lending (notably mortgages and consumer credit) to corporates, small businesses and farmers, payment instruments, personal services, banking-related services and wealth management.

2. French Retail Banking – LCL

LCL is a French retail banking network with a strong presence in urban areas. It is organised into four business lines: retail banking for individual customers, retail banking for small businesses, private banking and corporate banking.

LCL offers a full range of banking products and services, together with asset management, insurance and wealth management products.

3. International Retail Banking

This business line encompasses foreign subsidiaries and investments that are mainly involved in Retail banking.

These subsidiaries and equity investments are primarily located in Europe: with Gruppo Bancario, CA Italia, Crédit Agricole Polska in Poland and others in Ukraine and Serbia.

Other subsidiaries operate around the Mediterranean, *e.g.* Crédit du Maroc and Crédit Agricole Egypt.

Finally, this division also includes banks that are not significant in size.

Foreign consumer credit, leasing and factoring subsidiaries (subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and EFL in Poland, etc.) are not included in this segment, but in "Specialised financial services", except Calit in Italy, which is part of Retail Banking abroad.

4. Asset Gathering

This business line brings together:

- insurance activities (savings solutions and property and casualty insurance):
  - life insurance and personal insurance, conducted mainly by Predica in France and CA Vita in Italy,
  - property & casualty insurance, conducted primarily by Pacifica,
  - creditor insurance, conducted by Crédit Agricole Creditor Insurance and group insurance conducted mainly by Predica in France;
- asset management activities of the Amundi Group, offering savings solutions for retail clients and investment solutions for institutionals;
- as well as wealth management activities conducted mainly by Crédit Agricole Indosuez Wealth Management subsidiaries (CA Indosuez Switzerland S.A. CA Indosuez Wealth Europe, CFM Indosuez Wealth, CA Indosuez Wealth France).

5. Specialised financial services

Specialised financial services comprises the Group subsidiaries that provide financial products and services to individual customers, small businesses, corporates and local authorities in France and abroad. These include:

- consumer finance companies around Crédit Agricole Consumer Finance in France and through its subsidiaries or partnerships outside France (Agos, CreditPlus Bank, Ribank, Credibom, Interbank Group and FCA Bank);
- Specialised financial services for companies such as factoring and lease finance (Crédit Agricole Leasing & Factoring Group, EFL).

6. Large Customers

The Large customers division includes the Corporate and Investment bank, which itself consists of two main lines of business most of which are carried out by Crédit Agricole CIB, and Asset servicing for institutions realised by CACEIS:

- financing activities, which include corporate banking in France and internationally and structured finance. Structured Finance consists of originating, structuring and real assets and projects, often collateralised by physical assets (planes, boats, office buildings, commodities, etc.) and complex and structured credit instruments;
- capital markets and investment banking activities bring together capital market activities (treasury, foreign exchange, interest rate derivatives, debt markets), and investment banking activities (mergers and acquisitions consulting and primary equity advisory);
- asset servicing: CACEIS Bank for custody and CACEIS Fund Administration for fund administration. Following its acquisition by CACEIS during the third quarter of 2019, KAS Bank was integrated into this division in September 2019. And as part of the merger of the activities of CACEIS and Santander Securities Services ("S3") finalized in December 2019, S3's activities in Spain and 49.99% of its activities in Latin America were integrated into this division in December 2019.

7. Corporate Centre

This segment encompasses:

- Crédit Agricole S.A.'s central body function, asset and liability management and management of debt connected with acquisitions of subsidiaries or equity investments and the net impact of tax consolidation for Crédit Agricole S.A.;
- the results of the private equity business and results of various other Crédit Agricole S.A. companies (including CA Immobilier, Uni-médias, Foncaris, etc.);
- the results from management companies including computing and payment companies and real-estate companies.

The division also includes other elements, notably the technical and volatile impacts related to intragroup transactions.

5.1 OPERATING SEGMENT INFORMATION

Transactions between operating segments are effected at arm's length.

Segment assets are determined based on balance sheet elements for each operating segment.

	31/12/2019							
	French Retail Banking							
(in millions of euros)	Regional banks	LCL	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre	Total
Revenues	13,117	3,457	2,898	6,061	2,716	5,601	(553)	**33,297**
Operating expenses	(8,922)	(2,371)	(1,835)	(2,904)	(1,362)	(3,499)	(919)	**(21,812)**
Gross operating income	**4,195**	**1,086**	**1,063**	**3,157**	**1,354**	**2,102**	**(1,472)**	**11,485**
Cost of risk	(498)	(218)	(338)	(19)	(497)	(159)	(28)	**(1,757)**
Operating income	**3,697**	**868**	**725**	**3,138**	**857**	**1,943**	**(1,500)**	**9,728**
Share of net income of equity-accounted entities	11	-	-	46	295	4	-	**356**
Net gains (losses) on other assets	(5)	2	2	32	-	6	(1)	**36**
Change in value of goodwill(1)	-	-	-	-	-	22	(664)	**(642)**
Pre-tax income	**3,703**	**870**	**727**	**3,216**	**1,152**	**1,975**	**(2,165)**	**9,478**
Income tax charge	(1,307)	(274)	(201)	(879)	(233)	(406)	1,564	**(1,736)**
Net income from discontinued operations	-	-	(46)	8	-	-	-	**(38)**
Net income	**2,396**	**596**	**480**	**2,345**	**919**	**1,569**	**(601)**	**7,704**
Non-controlling interests	-	-	105	310	104	-	(13)	**506**
NET INCOME GROUP SHARE	**2,396**	**596**	**375**	**2,035**	**815**	**1,569**	**(588)**	**7,198**

(1) Goodwill LCL impairment for -€664 million.

	31/12/2019							
	French Retail Banking							
(in millions of euros)	Regional banks	LCL	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre	Total
SEGMENT ASSETS	-	-	-	-	-	-	-	-
of which investments in equity-accounted entities	131	-	-	4,278	2,344	350	-	**7,103**
of which goodwill	27	4,354	1,800	7,041	1,129	1,396	72	**15,819**
TOTAL ASSETS	**717,137**	**163,690**	**86,863**	**503,939**	**77,558**	**824,515**	**(362,736)**	**2,010,966**

	31/12/2018							
	French Retail Banking							
(in millions of euros)	Regional banks	LCL	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre	Total
Revenues	13,040	3,433	2,835	5,770	2,769	5,370	(378)	**32,839**
Operating expenses	(8,744)	(2,391)	(1,812)	(2,836)	(1,380)	(3,339)	(952)	**(21,454)**
Gross operating income	**4,296**	**1,042**	**1,023**	**2,934**	**1,389**	**2,031**	**(1,330)**	**11,385**
Cost of risk	(634)	(220)	(359)	(17)	(467)	64	(86)	**(1,719)**
Operating income	**3,662**	**822**	**664**	**2,917**	**922**	**2,095**	**(1,416)**	**9,666**
Share of net income of equity-accounted entities	12	-	-	47	188	-	19	**266**
Net gains (losses) on other assets	(1)	50	14	(3)	1	14	12	**87**
Change in value of goodwill	-	-	-	-	-	-	86	**86**
Pre-tax income	**3,673**	**872**	**678**	**2,961**	**1,111**	**2,109**	**(1,299)**	**10,105**
Income tax charge	(1,280)	(288)	(191)	(773)	(244)	(551)	594	**(2,733)**
Net income from discontinued operations	-	(1)	-	(1)	(1)	-	-	**(3)**
Net income	**2,393**	**583**	**487**	**2,187**	**866**	**1,558**	**(705)**	**7,369**
Non-controlling interests	-	-	101	271	128	(2)	27	**525**
NET INCOME GROUP SHARE	**2,393**	**583**	**386**	**1,916**	**738**	**1,560**	**(732)**	**6,844**

Under IFRS 9, the Crédit Agricole CIB issuer spread is classified with effect from 1 January 2018 as equity under Other comprehensive income on items that will not be reclassified to profit or loss.

	31/12/2018							
	French Retail Banking							
(in millions of euros)	Regional banks	LCL	International retail banking	Asset gathering	Specialised financial services	Large customers	Corporate Centre	Total
Segment assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
of which investments in equity-accounted entities	125	-	-	4,048	2,135	-	-	**6,308**
of which goodwill	8	5,018	1,795	6,997	1,026	1,148	72	**16,064**
TOTAL ASSETS	**658,690**	**147,428**	**85,426**	**447,976**	**71,318**	**770,529**	**(326,604)**	**1,854,763**

5.2 SEGMENT INFORMATION: GEOGRAPHICAL ANALYSIS

The geographical analysis of segment assets and results is based on the place where operations are booked for accounting purposes.

	31/12/2019				31/12/2018			
(in millions of euros)	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill	Net income Group Share	Of which Revenues	Segment assets	Of which goodwill
France (including overseas departments and territories)	4,706	23,740	1,649,252	9,885	4,242	23,444	1,530,120	10,393
Italy	731	3,158	97,112	2,184	630	3167	88,308	2,075
Other European Union countries	811	3,065	90,347	2,464	822	3,032	79,569	2,352
Other European countries	162	775	22,877	726	148	793	20,946	704
North America	215	1,146	61,570	472	500	1,093	56,023	461
Central and South America	16	50	641	-	20	46	988	-
Africa and Middle East	160	491	9,348	38	150	450	9,861	33
Asia-Pacific (ex. Japan)	290	561	26,693	27	212	502	22,440	24
Japan	107	311	53,125	23	120	312	46,508	22
TOTAL	**7,198**	**33,297**	**2,010,966**	**15,819**	**6,844**	**32,839**	**1,854,763**	**16,064**

5.3 INSURANCE SPECIFICITIES

(See chapter on "Risk Management - Insurance sectori risks" on managing this sector risk)

Gross income from insurance activities

	31/12/2019			31/12/2018		
(in millions of euros)	Income statement prior to reclassification of overlay approach	Reclassification related to overlay approach	Income statement post reclassification of overlay approach	Recognition in accordance with IFRS 9 excluding effect of overlay approach	Effect of overlay approach	Recognition after effect of overlay approach
Written premium	37,562	-	37,562	34,078	-	34,078
Change in unearned premiums	(225)	-	(225)	(210)	-	(210)
Earned premiums	**37,337**	**-**	**37,337**	**33,868**	**-**	**33,868**
Other operating income	**(118)**	**-**	**(118)**	**257**	**-**	**257**
Investment income	7,780	(4)	7,776	7,553	(3)	7,550
Investment expenses	(457)	1	(456)	(370)	1	(369)
Gains (losses) on disposals of investments net of impairment and amortisation reversals	72	103	175	41	379	420
Change in fair value of investments at fair value through profit or loss	12,405	(4,041)	8,364	(6,704)	1,828	(4,876)
Change in impairment on investments	(39)	(112)	(151)	(8)	(49)	(57)
Investment income net of expenses	**19,761**	**(4,053)**	**15,708**	**513**	**2,157**	**2,670**
Claims expenses(1)	**(49,494)**	**3,608**	**(45,886)**	**(28,004)**	**(1,866)**	**(29,870)**
Revenue from reinsurance operations	699	-	699	520	-	520
Expenses from reinsurance operations	(752)	-	(752)	(625)	-	(625)
Net reinsurance income (expense)	**(53)**	**-**	**(53)**	**(105)**	**-**	**(105)**
Contract acquisition costs	(2,185)	-	(2,185)	(2,196)	-	(2,196)
Amortisation of investment securities and similar	-	-	-	-	-	-
Administration costs	(2,197)	-	(2,197)	(2,000)	-	(2,000)
Other current operating income (expense)	(416)	-	(416)	(353)	-	(353)
Other operating income (expense)	6	-	6	(6)	-	(6)
Operating income	**2,641**	**(445)**	**2,196**	**1,974**	**291**	**2,265**
Financing expenses	(239)	-	(239)	(429)	-	(429)
Share of net income of associates	-	-	-	-	-	-
Income tax charge	(618)	51	(567)	(342)	(147)	(489)
Net income from discontinued or held-for-sale operations	8	-	8	(1)	-	(1)
Consolidated net income	**1,792**	**(394)**	**1,399**	**1,201**	**144**	**1,345**
Non-controlling interests	**3**	**-**	**3**	**12**	**-**	**12**
NET INCOME GROUP SHARE	**1,789**	**(394)**	**1,396**	**1,189**	**144**	**1,333**

(1) Including -€23 billion of cost of claims at 31 December 2019 (-€22 billion at 31 December 2018), -€1 billion of changes in policyholder profit-sharing at 31 December 2019 (-€1 billion at 31 December 2018) and -€21 billion of changes in technical reserves at 31 December 2019 (-€6 billion at 31 December 2018).

Breakdown of insurance company investments

(in millions of euros)	31/12/2019	31/12/2018
Financial assets at fair value through profit or loss	**173,454**	**143,152**
Held for trading financial assets	**776**	**460**
Treasury bills and similar securities	-	-
Bonds and other fixed income securities	-	-
Equities and other variable income securities	-	-
Derivative instruments	776	460
Other financial instruments at fair value through profit or loss	**172,678**	**142,692**
Equity instruments	33,087	25,336
Equities and other variable income securities	9,682	8,652
Non-consolidated equity investments	4,502	(328)
Designated financial assets applying the overlay approach	18,903	17,012
Debt instruments that do not meet the conditions of the "SPPI" test	70,456	57,713
Loans and receivables	718	296
Debt securities	69,738	57,417
Treasury bills and similar securities	171	153
Bonds and other fixed income securities	4,810	5,004
Mutual funds	44,243	34,522
Designated financial assets applying the overlay approach	20,514	17,738
Assets backing unit-linked contracts	69,135	59,643
Treasury bills and similar securities	457	988
Bonds and other fixed income securities	13,819	12,213
Equities and other variable income securities	6,822	5,161
Mutual funds	48,037	41,281
Financial assets designated at fair value through profit or loss	-	-
Loans and receivables	-	-
Debt securities	-	-
Treasury bills and similar securities	-	-
Bonds and other fixed income securities	-	-
Hedging derivative Instruments	**929**	**1,072**
Financial assets at fair value through other comprehensive income	**230,238**	**216,900**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**230,044**	**216,708**
Debt securities	230,044	216,708
Treasury bills and similar securities	69,197	62,396
Bonds and other fixed income securities	160,847	154,312
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**194**	**192**
Equities and other variable income securities	2	2
Non-consolidated equity investments	192	190
Financial assets at amortised cost	**4,773**	**5,853**
Loans and receivables	3,816	5,516
Debt securities	957	337
Treasury bills and sim ilar securities	76	-
Bonds and other fixed income securities	881	337
Impairment	-	-
Investment property	**6,428**	**6,296**
Investments in associates and joint venture	**4,002**	**3,785**
TOTAL INSURANCE COMPANY INVESTMENTS	**419,824**	**377,058**

As of 31 December 2019, investments in Insurance entities on equity accounting method amount to €4,002 million compared with €3,785 million at 31 December 2018.

Other comprehensive income on financial assets at fair value through other comprehensive income (net of income tax)

	31/12/2019			31/12/2018		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**230,044**	**20,632**	**(128)**	**216,708**	**14,694**	**(743)**
Debt securities	230,044	20,632	(128)	216,708	14,694	(743)
Treasury bills and similar securities	69,197	7,604	(69)	62,396	4,437	(171)
Bonds and other fixed income securities	160,847	13,028	(59)	154,312	10,257	(572)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**194**	**5**	**(23)**	**192**	**8**	**(21)**
Equities and other variable income securities	2	-	-	2	-	-
Non-consolidated equity investments	192	5	(23)	190	8	(21)
Total of financial assets at fair value through other comprehensive income	**230,238**	**20,637**	**(151)**	**216,900**	**14,702**	**(764)**
Income tax charge		(5,398)	39		(3,863)	204
OTHER COMPREHENSIVE INCOME ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)		**15,239**	**(112)**		**10,839**	**(560)**

Reclassification between net income and other comprehensive income for financial assets designated under the overlay approach

	31/12/2019			31/12/2018		
(in millions of euros)	Amount reported for the designated financial assets applying IFRS 9	Amount that would have been reported for the designated financial assets applying IAS 39	Amount reclassified in other comprehensive income applying the overlay approach	Amount reported for the designated financial assets applying IFRS 9	Amount that would have been reported for the designated financial assets applying IAS 39	Amount reclassified in other comprehensive income applying the overlay approach
Investment income	1,029	1,025	(4)	929	926	(3)
Investment expenses	(7)	(6)	1	(10)	(9)	1
Gains (losses) on disposals of investments net of impairment and amortisation reversals	71	174	103	25	405	379
Change in fair value of investments at fair value through profit or loss	4,041	-	(4,041)	(1,828)	-	1,828
Change in impairment on investments	-	(112)	(112)	-	(49)	(49)
Investment income net of expenses	**5,134**	**1,081**	**(4,053)**	**(884)**	**1,272**	**2,157**
Claims paid			**3,608**			**(1,866)**
Operating income			**(445)**			**291**
Income tax charge			51			(147)
NET INCOME GROUP SHARE			**(394)**			**144**

NOTE 6 Notes to the balance sheet

6.1 CASH, CENTRAL BANKS

	31/12/2019		31/12/2018	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Cash	4,039	-	3,750	-
Central banks	93,096	2,183	66,834	1,140
CARRYING AMOUNT	**97,135**	**2,183**	**70,584**	**1,140**

6.2 FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Financial assets at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Held for trading financial assets	227,698	223,229
Other financial instruments at fair value through profit or loss	176,638	148,913
Equity instruments	37,131	29,259
Debt instruments that do not meet conditions of the "SPPI" test	79,894	68,197
Assets backing unit-linked contracts	59,520	51,385
Financial assets designated at fair value through profit or loss	93	72
CARRYING AMOUNT	**404,336**	**372,142**
Of which lent securities	615	2,823

Held-for-trading financial assets

(in millions of euros)	31/12/2019	31/12/2018
Equity instruments	**6,901**	**2,777**
Equities and other variable income securities	6,901	2,777
Debt securities	**18,379**	**19,294**
Treasury bills and similar securities	13,665	14,219
Bonds and other fixed income securities	4,606	5,042
Mutual funds	108	33
Loans and receivables	**102,822**	**108,061**
Loans and receivables due from credit institutions	61	191
Loans and receivables due from customers	894	1,374
Securities bought under repurchase agreements	101,867	106,496
Pledged securities	-	-
Derivative instruments	**99,596**	**93,097**
CARRYING AMOUNT	**227,698**	**223,229**

Securities acquired under repurchase agreements include those that the entity is authorised to use as collateral.

Equity instruments at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Equities and other variable income securities	25,170	19,823
Non-consolidated equity investments	11,961	9,436
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**37,131**	**29,259**

Debt instruments not meeting the SPPI criteria

(in millions of euros)	31/12/2019	31/12/2018
Debt securities	**75,627**	**65,138**
Treasury bills and similar securities	252	156
Bonds and other fixed income securities	12,773	10,977
Mutual funds	62,602	54,005
Loans and receivables	**4,267**	**3,059**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	4,267	3,059
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
TOTAL DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE "SPPI" TEST	**79,894**	**68,197**

Financial assets designated at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Loans and receivables	**-**	**-**
Loans and receivables due from credit institutions	-	-
Loans and receivables due from customers	-	-
Debt securities	**93**	**72**
Treasury bills and similar securities	19	12
Bonds and other fixed income securities	74	60
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**93**	**72**

Financial liabilities at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Held for trading financial liabilities	205,061	191,684
Financial liabilities designated at fair value through profit or loss	40,048	34,218
CARRYING AMOUNT	**245,109**	**225,902**

This table includes liabilities to mutuals fund holders consolidated in Insurance.

Held-for-trading financial liabilities

(in millions of euros)	31/12/2019	31/12/2018
Securities sold short	33,472	25,433
Securities sold under repurchase agreements	74,423	75,323
Debt securities	54	-
Derivative instruments	97,112	90,928
CARRYING AMOUNT	**205,061**	**191,684**

Financial liabilities designated at fair value through profit or loss

Financial liabilities for which changes in issuer spread are recognised in other comprehensive income and will not be reclassified

					31/12/2019
(in millions of euros)	Carrying amount	Difference between carrying amount and amount contractually required to pay at maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk	Amount realised at derecognition[(1)]
Deposits and subordinated liabilities	**3,993**	**-**	**-**	**-**	**-**
Deposits	3,993	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Debt securities	**26,030**	**22**	**214**	**88**	**(11)**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**
TOTAL	**30,023**	**22**	**214**	**88**	**(11)**

(1) *The amount realised upon derecognition is transferred to consolidated reserves.*

					31/12/2018
(in millions of euros)	Carrying amount	Difference between carrying amount and amount contractually required to pay at maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk	Amount realised at derecognition[(1)]
Deposits and subordinated liabilities	**-**	**-**	**-**	**-**	**-**
Deposits	-	-	-	-	-
Subordinated liabilities	-	-	-	-	-
Debt securities	**27,659**	**607**	**137**	**(369)**	**(18)**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**
TOTAL	**27,659**	**607**	**137**	**(369)**	**(18)**

(1) *The amount realised upon derecognition is transferred to consolidated reserves.*

Pursuant to IFRS 9, Crédit Agricole's Group calculates changes in fair value attributable to changes in own credit risk using a methodology that allows for them to be separated from changes in value attributable to changes in market conditions.

Basis for calculating own credit risk

The source taken into account for the calculation of own credit risk may vary from one issuer to another. Within Crédit Agricole's Group, the source used is the change in its cost of market refinancing.

Calculation of unrealised gains/losses on own credit adjustment (recognised in other comprehensive income)

The Crédit Agricole's Group preferred approach is based on the liquidity component of issues. All issues are replicated by a group of vanilla loans/borrowings. Changes in fair value attributable to changes in own credit risk of all issues therefore correspond to those of said loans. These are equal to the changes in fair value of the loan book caused by changes in the cost of refinancing.

Calculation of realised gains/losses on own credit risk (recognised in consolidated reserves)

The Group has elected to transfer fair value changes attributable to changes in own credit risk upon unwinding to consolidated reserves. Accordingly, when there is a total or partial early redemption, a sensitivity-based calculation is done. This consists of measuring the change in fair value attributable to the changes in own credit risk of a given issuance as being the sum of the credit spread sensitivities multiplied by the change in this spread between the issuance date and the redemption date.

Financial liabilities for which changes in the issuer spread are recognised in net income

	31/12/2019			
(in millions of euros)	Carrying amount	Difference between carrying amount and due on maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk
Deposits and subordinated liabilities	**10,025**	**152**	-	-
Deposits	10,025	152	-	-
Subordinated liabilities	-	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	**10,025**	**152**	**-**	**-**

	31/12/2018			
(in millions of euros)	Carrying amount	Difference between carrying amount and due on maturity	Accumulated amount of change in fair value attributable to changes in own credit risk	Amount of change in fair value during the period attributable to changes in own credit risk
Deposits and subordinated liabilities	**6,559**	-	-	-
Deposits	6,559	-	-	-
Subordinated liabilities	-	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	**6,559**	**-**	**-**	**-**

6.3 HEDGING DERIVATIVE INSTRUMENTS

Detailed information is provided in Note 3.4 on “Hedging accounting”.

6.4 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

			31/12/2019
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	268,299	20,560	(418)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,013	1,369	(1,105)
TOTAL	**272,312**	**21,929**	**(1,523)**

			31/12/2018
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	260,251	14,645	(1,135)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,730	1,134	(1,168)
TOTAL	**264,981**	**15,779**	**(2,303)**

Debt instruments recognised at fair value through other comprehensive income that can be reclassified

			31/12/2019
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	84,250	7,880	(168)
Bonds and other fixed income securities	184,049	12,680	(250)
Total Debt securities	**268,299**	**20,560**	**(418)**
Loans and receivables due from credit institutions	-	-	-
Loans and receivables due from customers	-	-	-
Total Loans and receivables	**-**	**-**	**-**
Total debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**268,299**	**20,560**	**(418)**
Income tax charge		(5,391)	90
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**15,169**	**(328)**

			31/12/2018
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	77,613	4,710	(375)
Bonds and other fixed income securities	182,638	9,935	(760)
Total Debt securities	**260,251**	**14,645**	**(1,135)**
Loans and receivables due from credit institutions	-	-	-
Loans and receivables due from customers	-	-	-
Total Loans and receivables	**-**	**-**	**-**
Total debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	**260,251**	**14,645**	**(1,135)**
Income tax charge		(3,867)	296
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**10,778**	**(839)**

Equity instruments recognised at fair value through other comprehensive income that cannot be reclassified

Other comprehensive income on equity instruments that cannot be reclassified

	31/12/2019		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	997	38	(39)
Non-consolidated equity investments	3,016	1,331	(1,066)
Total equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**4,013**	**1,369**	**(1,105)**
Income tax charge		(144)	18
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**1,225**	**(1,087)**

	31/12/2018		
(in millions of euros)	Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	439	30	(48)
Non-consolidated equity investments	4,291	1,104	(1,120)
Total equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**4,730**	**1,134**	**(1,168)**
Income tax charge		(129)	14
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**1,005**	**(1,154)**

Equity instruments derecognised during the period

	31/12/2019		
(in millions of euros)	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]
Equities and other variable income securities	(1)	-	(5)
Non-consolidated equity investments	1,098	52	(66)
Total investments in equity instruments	**1,097**	**52**	**(71)**
Income tax charge		-	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)[1]		**52**	**(71)**

(1) The amount realised upon derecognition is transferred to consolidated reserves.

	31/12/2018		
(in millions of euros)	Fair value at the date of derecognition	Cumulative gains realised[1]	Cumulative losses realised[1]
Equity and other variable income securities	32	5	(5)
Non-consolidated equity investments	345	22	(90)
Total Investments in equity instruments	**377**	**27**	**(95)**
Income tax charge		-	12
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)[1]		**27**	**(83)**

(1) The amount realised upon derecognition is transferred to consolidated reserves.

6.5 FINANCIAL ASSETS AT AMORTISED COST

(in millions of euros)	31/12/2019	31/12/2018
Loans and receivables due from credit institutions	100,949	97,194
Loans and receivables due from customers	913,497	854,681
Debt securities	95,134	80,581
CARRYING AMOUNT	**1,109,580**	**1,032,456**

Loans and receivables due from credit institutions

(in millions of euros)	31/12/2019	31/12/2018
CREDIT INSTITUTIONS		
Loans and receivables	95,147	91,353
of which non doubtful current accounts in debit[1]	6,669	6,366
of which non doubtful overnight accounts and advances[1]	22,497	25,375
Pledged securities	1	1
Securities bought under repurchase agreements	5,538	5,617
Subordinated loans	621	614
Other loans and receivables	59	27
Gross amount	**101,365**	**97,612**
Impairment	(416)	(418)
CARRYING AMOUNT	**100,949**	**97,194**

(1) These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the "Cash Flow Statement".

Loans and receivables due from customers

(in millions of euros)	31/12/2019	31/12/2018
LOANS AND RECEIVABLES DUE FROM CUSTOMERS		
Trade receivables	28,299	32,039
Other customer loans	862,914	803,707
Pledged securities	232	131
Securities bought under repurchase agreements	4,071	2,976
Subordinated loans	121	116
Insurance receivables	309	642
Reinsurance receivables	770	634
Advances in associates' current accounts	1,015	1,003
Current accounts in debit	17,577	16,257
Gross amount	**915,308**	**857,505**
Impairment	(18,492)	(18,992)
Net value of loans and receivables due from customers	**896,816**	**838,513**
FINANCE LEASES		
Property leasing	5,518	5,550
Equipment leases, operating leases and similar transactions	11,661	11,100
Gross amount	**17,179**	**16,650**
Impairment	(499)	(482)
Net value of lease financing operations	**16,680**	**16,168**
CARRYING AMOUNT	**913,496**	**854,681**

Debt securities

(in millions of euros)	31/12/2019	31/12/2018
Treasury bills and similar securities	33,361	33,400
Bonds and other fixed income securities	61,842	47,228
Total	**95,203**	**80,628**
Impairment	(69)	(47)
CARRYING AMOUNT	**95,134**	**80,581**

6.6 TRANSFERRED ASSETS NOT DERECOGNISED OR DERECOGNISED WITH ON-GOING INVOLVEMENT

Transferred assets not derecognised in full at 31 December 2019

	Transferred assets but still fully recognised				
	Transferred assets				
Nature of assets transferred *(in millions of euros)*	Carrying amount	Of which securitisation (non-deconsolidating)	Of which securities sold/ bought under repurchase agreements	Of which other[1]	Fair value[2]
Held for trading financial assets	**14,139**	**-**	**14,139**	**-**	**14,139**
Equity instruments	3,911	-	3,911	-	3,911
Debt securities	10,228	-	10,228	-	10,228
Loans and receivables	-	-	-	-	-
Other financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans and receivables	-	-	-	-	-
Financial assets at fair value through other comprehensive income	**24,393**	**-**	**24,092**	**300**	**24,027**
Equity instruments	-	-	-	-	-
Debt securities	24,393	-	24,092	300	24,027
Loans and receivables	-	-	-	-	-
Financial assets at amortised cost	**16,312**	**15,121**	**1,186**	**5**	**16,358**
Debt securities	1,191	-	1,186	5	1,197
Loans and receivables	15,121	15,121	-	-	15,161
Total financial assets	**54,844**	**15,121**	**39,417**	**305**	**54,524**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**54,844**	**15,121**	**39,417**	**305**	**54,524**

(1) *Including securities lending without cash collateral.*

(2) *When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets".*

Transferred assets but still fully recognised						Transferred assets recognised to the extent of on the entity's continuing involvement		
			Associated liabilities		Assets and associated liabilities			
Carrying amount	Of which securitisation (non-deconsolidating)	Of which securities sold/bought under repurchase agreements	Of which other[1]	Fair value[2]	Net fair value[2]	Initial total carrying amount of assets prior to transfer	Carrying amount of assets still recognised (continuing involvement)	Carrying amount of associated liabilities
13,331	-	**13,331**	-	**13,331**	**808**	-	-	-
3,688	-	3,688	-	3,688	223	-	-	-
9,643	-	9,643	-	9,643	585	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
24,049	-	**24,048**	-	**24,048**	**(21)**	-	-	-
-	-	-	-	-	-	-	-	-
24,049	-	24,048	-	24,048	(21)	-	-	-
-	-	-	-	-	-	-	-	-
14,139	**12,997**	**1,142**	-	**14,149**	**2,209**	-	-	-
1,142	-	1,142	-	1,146	51	-	-	-
12,997	12,997	-	-	13,003	2,158	-	-	-
51,519	**12,997**	**38,521**	**-**	**51,528**	**2,996**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
51,519	**12,997**	**38,521**	**-**	**51,528**	**2,996**	**-**	**-**	**-**

Transferred assets not derecognised in full at 31 December 2018

	Transferred assets but still fully recognised				
	Transferred assets				
Nature of assets transferred *(in millions of euros)*	Carrying amount	Of which securitisation (non-deconsolidating)	Of which securities sold/ bought under repurchase agreements	Of which other(1)	Fair value(2)
Held for trading financial assets	**10,488**	**-**	**10,488**	**-**	**10,488**
Equity instruments	1,665	-	1,665	-	1,665
Debt securities	8,823	-	8,823	-	8,823
Loans and receivables	-	-	-	-	-
Other financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans and receivables	-	-	-	-	-
Financial assets at fair value through other comprehensive income	**20,702**	**6**	**19,625**	**1,071**	**20,399**
Equity instruments	-	-	-	-	-
Debt securities	20,702	6	19,625	1,071	20,399
Loans and receivables	-	-	-	-	-
Financial assets at amortised cost	**15,477**	**13,765**	**1,160**	**552**	**15,494**
Debt securities	1,712	-	1,160	552	1,710
Loans and receivables	13,765	13,765	-	-	13,784
Total financial assets	**46,667**	**13,771**	**31,273**	**1,623**	**46,381**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**46,667**	**13,771**	**31,273**	**1,623**	**46,381**

(1) Including securities lending without cash collateral.

(2) When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets".

Securitisations

Consolidated securitisations with external investors are a transfer of assets within the meaning of the amendment to IFRS 7. The Group effectively has an indirect contractual obligation to deliver to external investors the cash flows from assets sold to the securitisation fund (although these assets are recorded in the Group balance sheet through the consolidation of the fund). Receivables assigned to the securitisation fund are used as collateral for investors.

Fully self-subscribed consolidated securitisations do not constitute a transfer of assets within the meaning of IFRS 7.

Crédit Agricole Consumer Finance Securitisations

At 31 December 2019, Crédit Agricole Consumer Finance managed 17 consolidated vehicles for securitisation of retail consumer loans and car dealer financing in Europe. Securitisation transactions carried out within Crédit Agricole Consumer Finance Group are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole Group's consolidated financial statements.

The carrying amounts of the relevant assets (net of related liabilities) amounted to €3,150 million at 31 December 2019. They include, in particular, outstanding customer loans with a net carrying amount of €5,960 million. The amount of securities mobilised on the market stood at €6,171 million. The value of securities still available to be mobilised stood at €6,262 million.

Crédit Agricole Italia Securitisations

At 31 December 2019, Crédit Agricole Italia managed two home loan securitisation vehicles. These securitisation transactions are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole Group's consolidated financial statements.

The carrying amounts of the relevant assets amounted to €12,072 million at 31 December 2019.

FCT Securitisation, Crédit Agricole home loans 2015, 2017, 2018 and 2019

At 31 December 2019 the Regional Banks handled four vehicles for securitising home loans. These securitisation transactions are not considered to form part of a deconsolidation transaction under IFRS and have therefore been reintegrated into Crédit Agricole Group's consolidated financial statements. The carrying amounts of the relevant assets amounted to €27,072 million at 31 December 2019.

Transferred assets but still fully recognised						Transferred assets recognised to the extent of on the entity's continuing involvement		
			Associated liabilities		Assets and associated liabilities			
Carrying amount	Of which securitisation (non-deconsolidating)	Of which securities sold/bought under repurchase agreements	Of which other[1]	Fair value[2]	Net fair value[2]	Initial total carrying amount of assets prior to transfer	Carrying amount of assets still recognised (continuing involvement)	Carrying amount of associated liabilities
10,137	**-**	**10,137**	**-**	**10,137**	**351**	**-**	**-**	**-**
1,609	-	1,609	-	1,609	56	-	-	-
8,528	-	8,528	-	8,528	295	-	-	-
-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
19,702	**-**	**19,702**	**-**	**19,601**	**798**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
19,702	-	19,702	-	19,601	798	-	-	-
-	-	-	-	-	-	-	-	-
12,185	**11,053**	**1,132**	**-**	**12,207**	**3,287**	**-**	**-**	**-**
1,132	-	1,132	-	1,132	578	-	-	-
11,053	11,053	-	-	11,074	2,709	-	-	-
42,024	**11,053**	**30,972**	**-**	**41,945**	**4,436**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
42,024	**11,053**	**30,972**	**-**	**41,945**	**4,436**	**-**	**-**	**-**

6.7 EXPOSURE TO SOVEREIGN RISK

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax receivables is excluded from these amounts.

Exposure to sovereign debt corresponds to an exposure net of impairment (carrying amount) presented both gross and net of hedging.

Crédit Agricole Group's exposure to sovereign risk is as follows:

Banking activity

31/12/2019	Exposures Banking activity net of impairment						
	Financial assets at fair value through profit or loss		Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
(in millions of euros)	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss					
Saudi Arabia	-	-	-	899	899	-	**899**
Argentina	-	-	-	-	-	-	**-**
Austria	68	50	5	154	277	(7)	**270**
Belgium	-	17	2,479	1,129	3,625	(209)	**3,416**
Brazil	57	-	77	191	325	-	**325**
China	12	-	36	-	48	-	**48**
Egypt	2	8	804	-	814	-	**814**
Spain	-	44	1,421	772	2,237	(4)	**2,233**
United States	4,083	-	205	2,858	7,146	(21)	**7,125**
France	41	4,474	5,129	18,888	28,532	(1,301)	**27,231**
Greece	-	-	-	-	-	-	**-**
Hong Kong	46	-	-	890	936	(1)	**935**
Iran	-	-	-	-	-	-	-
Ireland	1	16	-	-	17	-	**17**
Italy	24	111	2,827	5,083	8,045	(454)	**7,591**
Japan	-	-	-	889	889	8	**897**
Lithuania	-	4	-	-	4	-	**4**
Morocco	68	7	258	-	333	-	**333**
Poland	14	-	722	242	978	-	**978**
United Kingdom	-	-	-	-	-	-	**-**
Russia	1	-	-	-	1	-	**1**
Syria	-	-	-	-	-	-	**-**
Turkey	-	-	-	-	-	-	**-**
Ukraine	-	-	55	148	203	-	**203**
Venezuela	-	-	-	42	42	-	**42**
Yemen	-	-	-	-	-	-	**-**
Other sovereign countries	993	262	929	5,302	7,486	(553)	**6,933**
TOTAL	**5,410**	**4,993**	**14,947**	**37,487**	**62,837**	**(2,542)**	**60,295**

31/12/2018							Exposures net of impairment
	Financial assets at fair value through profit or loss						
(in millions of euros)	Held-for-trading financial assets	Other financial instruments at fair value through profit or loss	Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	Financial assets at amortised cost	Total banking activity before hedging	Hedging	Total banking activity after hedging
Saudi Arabia	8	-	-	880	888	-	**888**
Austria	-	35	15	155	205	(5)	**200**
Belgium	50	56	2,493	1,412	4,011	(136)	**3,875**
Brazil	381	-	-	211	592	-	**592**
China	6	-	-	19	25	-	**25**
Spain	-	5	539	264	808	(2)	**806**
United States	1,578	-	152	1,610	3,340	1	**3,341**
France	3	621	6,212	20,013	26,849	(732)	**26,117**
Greece	-	-	-	-	-	-	**-**
Hong-Kong	71	-	-	978	1,049	-	**1,049**
Iran	-	-	-	-	-	-	**-**
Ireland	-	-	-	2	2	-	**2**
Italy	519	5	3,019	5,175	8,718	(184)	**8,534**
Japan	23	-	-	1,948	1,971	-	**1,971**
Lituania	-	-	-	-	-	-	**-**
Poland	3	-	737	-	740	-	**740**
United Kingdom	-	-	-	-	-	-	**-**
Russia	1	-	7	-	8	-	**8**
Syria	-	-	-	-	-	-	**-**
Turkey	-	-	-	-	-	-	**-**
Ukraine	-	-	31	34	65	-	**65**
Venezuela	-	-	-	59	59	-	**59**
Yemen	-	-	-	-	-	-	**-**
Other coutnries	889	384	2,006	3,051	6,330	(244)	**6,086**
TOTAL	**3,532**	**1,106**	**15,211**	**35,811**	**55,660**	**(1,302)**	**54,358**

Insurance activity

For the insurance activity, exposure to sovereign debt is presented as net of impairment, before hedging, and corresponds to an exposure before application of sharing mechanisms between insurer and policyholder specific to life insurance.

Gross exposures *(in millions of euros)*	31/12/2019	31/12/2018
Saudi Arabia	6	-
Argentina	1	-
Austria	3,040	3,672
Belgium	3,299	2,859
Brazil	-	-
China	-	-
Egypt	-	-
Spain	1,318	1,148
United States	131	39
France	52,971	48,417
Greece	4	-
Hong Kong	-	-
Iran	-	-
Ireland	725	759
Italy	7,602	6,042
Japan	97	39
Lituania	-	-
Morocco	-	-
Poland	363	349
United Kingdom	15	4
Russia	-	-
Syria	-	-
Turkey	2	-
Ukraine	-	-
Venezuela	1	-
Yemen	-	-
Other sovereign countries	2,352	2,118
TOTAL EXPOSURES	**71,927**	**65,446**

6.8 FINANCIAL LIABILITIES AT AMORTISED COST

(in millions of euros)	31/12/2019	31/12/2018
Due to credit institutions	99,575	95,970
Due to customers	855,507	789,835
Debt securities	213,366	198,227
CARRYING AMOUNT	**1,168,448**	**1,084,032**

Due to credit institutions

(in millions of euros)	31/12/2019	31/12/2018
CREDIT INSTITUTIONS		
Accounts and borrowings	71,875	73,414
of which current accounts in credit[1]	7,933	10,582
of which overnight accounts and deposits[1]	2,359	1,671
Pledged securities	-	-
Securities sold under repurchase agreements	27,700	22,556
CARRYING AMOUNT	**99,575**	**95,970**

(1) These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the "Cash Flow Statement".

Due to customers

(in millions of euros)	31/12/2019	31/12/2018
Current accounts in credit	391,429	350,525
Special savings accounts	307,589	292,923
Other amounts due to customers	152,294	142,795
Securities sold under repurchase agreements	1,593	900
Insurance liabilities	981	1,306
Reinsurance liabilities	467	334
Cash deposits received from ceding and retroceding companies against technical insurance commitments	1,154	1,052
CARRYING AMOUNT	**855,507**	**789,835**

Debt instruments

(in millions of euros)	31/12/2019	31/12/2018
Interest bearing notes	13	140
Interbank securities	9,289	10,306
Negotiable debt securities	97,317	90,768
Bonds[1]	103,038	93,932
Other debt securities	3,708	3,081
CARRYING AMOUNT	**213,365**	**198,227**

(1) Includes issues of Covered Bonds and issues of senior non-preferred bonds.

The debt instruments issued by Crédit Agricole S.A. and subscribed for by Crédit Agricole Group insurance companies were eliminated for euro contracts. They were eliminated for the portion backing unit-linked contracts with financial risk borne by the policyholder.

6.9 INFORMATION ON THE OFFSETTING OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

Offsetting – Financial assets

	31/12/2019					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instruments *(in millions of euros)*	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements[2]	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives[1]	120,914	21	120,893	109,720	10,376	797
Reverse repurchase agreements	174,609	62,900	111,709	9,615	101,324	771
Securities lent	2,740	-	2,740	-	-	2,740
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**298,263**	**62,921**	**235,342**	**119,335**	**111,700**	**4,308**

(1) Including margin calls but before any XVA impact.

(2) The net amount of financial assets shown in the summary statements is equal to the amount shown on the balance sheet as assets.

At 31 December 2019, derivative instruments were not subject to accounting clearing within the meaning of IAS 32R, but daily settlement (application of the so-called "settlement to market" mechanism.

	31/12/2018					
	Offsetting effects on financial assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instruments *(in millions of euros)*	Gross amounts of recognised financial assets before offsetting	Gross amounts of recognised financial liabilities set off in the financial statements	Net amounts of financial assets presented in the financial statements[2]	Gross amounts of financial liabilities covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives[1]	167,668	57,578	110,090	80,480	14,564	15,047
Reverse repurchase agreements	167,454	52,233	115,221	6,771	103,888	4,561
Securities lent	5,593	-	5,593	-	-	5,593
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**340,715**	**109,811**	**230,904**	**87,251**	**118,452**	**25,201**

(1) Including margin calls but before any XVA impact.

(2) The net amount of financial assets shown in the summary statements is equal to the amount shown on the balance sheet as assets.

Offsetting – Financial liabilities

	31/12/2019					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instruments *(in millions of euros)*	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements(2)	Gross amounts of financial assets covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives(1)	117,610	-	117,610	108,043	7,020	2,547
Repurchase agreements	166,699	62,900	103,799	9,615	87,732	6,452
Securities borrowed	6,060	-	6,060	-	-	6,060
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**290,369**	**62,900**	**227,469**	**117,658**	**94,752**	**15,059**

(1) Including margin calls but before any XVA impact.

(2) The net amount of financial assets shown in the summary statements is equal to the amount shown on the balance sheet as assets.

At 31 December 2019, derivative instruments were not subject to accounting clearing within the meaning of IAS 32R, but daily settlement (application of the so-called “settlement to market” mechanism.

	31/12/2018					
	Offsetting effects on financial liabilities covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instruments *(in millions of euros)*	Gross amounts of recognised financial liabilities before offsetting	Gross amounts of recognised financial assets set off in the financial statements	Net amounts of financial liabilities presented in the financial statements(2)	Gross amounts of financial assets covered by master netting agreements	Amounts of other financial instruments received as collateral, including security deposits	Net amount after all offsetting effects
Derivatives(1)	165,577	57,544	108,033	80,516	24,374	3,142
Repurchase agreements	151,038	52,233	98,805	6,771	85,221	6,812
Securities borrowed	5,977	-	5,977	-	-	5,977
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**322,592**	**109,778**	**212,814**	**87,288**	**109,595**	**15,932**

(1) Including margin calls but before any XVA impact.

(2) The net amount of financial assets shown in the summary statements is equal to the amount shown on the balance sheet as assets.

6.10 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

(in millions of euros)	31/12/2019	31/12/2018
Current tax[2]	1,526	1,629
Deferred tax	4,767	4,594
TOTAL CURRENT AND DEFERRED TAX ASSETS	**6,293**	**6,223**
Current tax[1]	1,760	764
Deferred tax	2,236	1,678
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**3,996**	**2,442**

(1) *Variation of this item includes reclassification of uncertain tax positions following IFRIC 23 application.*

(2) *At the 31 December 2019, this financial statement item includes a receivable for €312 million recognized by CACEIS Germany considering the appeal proceedings in progress (see Note 2.6). The receivable for €312 million (see Note 2.8) that Crédit Agricole S.A had recorded in 2017, as part of the Emporiki tax litigation, was reimbursed without impact on the income statement.*

Tax audits

Crédit Agricole S.A. tax audit

After an audit of accounts for the 2014 and 2015 financial years, Crédit Agricole S.A. was the subject of adjustments as part of a proposed correction received at the end of December 2018. Crédit Agricole S.A. has challenged most of the proposed adjustments with stated arguments. A provision has been recognised to cover the estimated risk.

Crédit Agricole S.A. earlier underwent a tax audit covering the 2013 financial year. On conclusion of the audit, the tax authorities had issued a tax adjustment rejecting a tax deduction that was made, following the loss on the disposal of Emporiki Bank securities issued in connection with a capital increase carried out on 28 January 2013, four days prior to the sale of Emporiki Bank to Alpha Bank. The tax authorities disputed the fact that the securities of this subsidiary were treated as investment securities.

The assessment notice dated 15 March 2017 relating to this adjustment, for the amount of €312 million, was paid, and concurrently, a receivable of the same amount was recognised on 31 December 2017.

Following the final decision of the *Conseil d'État* issued on 8 November 2019 related to the 2012 capital increase of Emporiki Bank to which participated Crédit Agricole S.A. on the occasion of the disposal of the Greek bank, decision agreeing with Crédit Agricole S.A. position and confirming the qualification of the securities as investment securities, the entire case has been settled, including the 2013 litigation, which thus, became null. Thus, with regard the securities resulting from the capital increase of 2012, the amount of €1,038 million paid to Crédit Agricole S.A. is definitively acquired, justifying a reversal of the associated provisions in the net income, *i.e.:*

- €955 million in provisions associated with the deductibility of the provision for depreciation of Emporiki securities recorded in 2012;
- €83 million in provisions associated with the deductibility of the capital loss on Emporiki securities recorded in 2013.

With regard the securities resulting from the capital increase of 2013, the amount of €312 million has been reimbursed to Crédit Agricole S.A. No receivable, in this respect, is presented in the 31 December 2019' accounts.

Crédit Agricole CIB Paris tax audit

After an audit of accounts for the 2013, 2014 and 2015 financial years, Crédit Agricole CIB was the subject of adjustments as part of a proposed correction received at the end of December 2018. Crédit Agricole CIB has challenged the proposed adjustments with stated arguments. A provision has been recognised to cover the estimated risk.

Crédit Agricole CIB Milan tax audit regarding transfer pricing

Following audits, Crédit Agricole CIB Milan received adjustment notices from the Italian tax authorities regarding transfer pricing for the 2005 to 2014 financial years. Crédit Agricole CIB has challenged the proposed adjustments with stated arguments. At the same time, the case has been referred to the competent French-Italian authorities for all financial years. A provision has been recognised to cover the estimated risk.

CLSA liability guarantee

In 2013, Crédit Agricole Group sold the CLSA entities to the Chinese group CITICS.

Following tax adjustments made on some CLSA entities in India and the Philippines, CITICS invoked the liability guarantee against Crédit Agricole Group. The adjustments have been challenged with stated arguments. A provision has been recognised to cover the estimated risk.

Crédit Agricole Consumer Finance tax audit

Crédit Agricole Consumer Finance was the subject of an audit of accounts for the 2016 and 2017 financial years. It received an adjustment notice in late 2019. Crédit Agricole Consumer Finance has recorded a provision in its accounts for the adjustments that are disputed.

Earlier, Crédit Agricole Consumer Finance had been the subject of a different audit of accounts for the 2014 and 2015 financial years. It received an adjustment notice in late 2017. Crédit Agricole Consumer Finance has challenged the adjustments with stated arguments. A provision for adjustments that are disputed has been recognised.

Predica tax audit

Predica was the subject of an audit of accounts for the 2015 and 2016 financial years. It received an adjustment notice in early 2019. Predica has recorded a provision in its accounts for the adjustments that are disputed.

CACEIS tax audit

CACEIS was the subject of an audit of accounts for the 2016 and 2017 financial years. It received an adjustment notice in late 2019. CACEIS has recorded a provision in its accounts for the adjustments that are disputed.

Net deferred tax assets and liabilities break down as follows:

(in millions of euros)	31/12/2019	31/12/2018
Temporary timing differences – tax	**4,347**	**4,194**
Non-deductible accrued expenses	405	384
Non-deductible provisions for liabilities and charges	3,628	3,433
Other temporary differences[(1)(2)]	314	377
Deferred tax on reserves for unrealised gains or losses	**(692)**	**(297)**
Financial assets at fair value through other comprehensive income	(648)	(362)
Cash flow hedges	(372)	(269)
Gains and losses/Actuarial differences	165	143
Other comprehensive income attributable to changes in own credit risk	72	57
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	91	135
Deferred tax on income and reserves	**(1,124)**	**(981)**
of which Reclassification of net gains (losses) of designated financial assets applying the overlay approach	(91)	(135)
TOTAL DEFERRED TAX	**2,531**	**2,916**

(1) The portion of deferred tax related to tax loss carryforwards is €392 million for 2019.
(2) The portion of deferred tax related to tax loss carryforwards is €444 million for 2018.

Deferred tax assets are netted on the balance sheet by taxable entity.

In order to assess the level of deferred tax assets to be recognised, Crédit Agricole takes into account for each company or tax group concerned the dedicated tax status and the earnings projections established during the budgetary process.

6.11 ACCRUED INCOME AND EXPENSES AND OTHER ASSETS AND LIABILITIES

Accruals, prepayments and sundry assets

(in millions of euros)	31/12/2019	31/12/2018
Others	**37,027**	**36,259**
Inventory accounts and miscellaneous	284	212
Sundry debtors[(1)]	32,755	31,729
Settlements accounts	1,553	2,150
Other insurance assets	329	344
Reinsurer's share of technical reserves	2,106	1,824
Accruals and deferred income	**7,413**	**8,084**
Items in course of transmission	3,438	3,477
Adjustment and suspense accounts	259	703
Accrued income	1,871	2,092
Prepaid expenses	637	555
Other accruals prepayments and sundry assets	1,209	1,256
CARRYING AMOUNT	**44,440**	**44,343**

(1) Including €67 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Single Resolution Fund may use the security deposit to provide funding unconditionally and at any time.

Accruals, deferred income and sundry liabilities

(in millions of euros)	31/12/2019	31/12/2018
Other liabilities[(1)]	**33,860**	**30,623**
Settlements accounts	2,505	2,657
Sundry creditors	28,655	27,239
Liabilities related to trading securities	840	705
Other insurance liabilities	31	22
Lease liabilities[(3)]	1,829	-
Accruals and deferred income	**17,506**	**17,386**
Items in course of transmission[(2)]	3,587	3,942
Adjustment and suspense accounts	1,632	868
Unearned income	4,076	4,023
Accrued expenses	7,321	7,712
Other accruals prepayments and sundry assets	890	841
CARRYING AMOUNT	**51,366**	**48,009**

(1) The amounts shown include related debts.
(2) Net amounts are shown.
(3) See Note 1.1 Applicable standards and comparability – IFRS 16 "Leases".

6.12 ASSETS, LIABILITIES AND INCOME FROM DISCONTINUED OR HELD FOR SALE OPERATIONS

Balance sheet of discontinued or held for sale operations

(in millions of euros)	31/12/2019
Cash, central banks	55
Financial assets at fair value through profit or loss	-
Hedging derivative Instruments	-
Financial assets at fair value through other comprehensive income	40
Financial assets at amortised cost	370
Revaluation adjustment on interest rate hedged portfolios	-
Current and deferred tax assets	-
Accruals, prepayments and sundry assets	1
Investments in equity-accounted entities	-
Investment property	-
Property, plant and equipment	5
Intangible assets	4
Goodwill	-
Total assets	**475**
Central banks	-
Financial liabilities at fair value through profit or loss	-
Hedging derivative Instruments	-
Financial liabilities at amortised cost	420
Revaluation adjustment on interest rate hedged portfolios	-
Current and deferred tax liabilities	-
Accruals, prepayments and sundry liabilities	5
Provisions	1
Subordinated debt	9
Adjustment to fair value of assets held for sale and discontinued operations (excluding taxes)	43
Total liabilities and equity	**478**
NET ASSET FROM DISCONTINUED OR HELD-FOR-SALE OPERATIONS	**(3)**

In 2019, Crédit Agricole S.A. is engaged in a sale process of Crédit Agricole Bank Romania. An active program to find a potential buyer was launched, which led to the receipt at the end of December 2019 of binding offers from potential buyers.

Income statement from discontinued operations

(in millions of euros)	31/12/2019
Revenues	12
Operating expenses	(12)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	(2)
Cost of risk	(1)
Pre-tax income	**(3)**
Share of net income of equity-accounted entities	-
Net gains (losses) on other assets	-
Change in value of goodwill	-
Income tax charge	-
Net income	**(3)**
Income associated with fair value adjustments of discontinued operations	(43)
Net income from discontinued operations	**(46)**
Non-controlling interests	-
NET INCOME FROM DISCONTINUED OPERATIONS – GROUP SHARE	**(46)**

Discontinued operations cash flow statement

(in millions of euros)	31/12/2019
Net cash flows from (used by) operating activities	(23)
Net cash flows from (used by) investment activities	-
Net cash flows from (used by) financing activities	7
TOTAL	**(16)**

6.13 JOINT VENTURES AND ASSOCIATES

Financial information of joint ventures and associates

At 31 December 2019:

- the equity-accounted value of joint ventures totalled €2,584 million (€2,019 million at 31 December 2018);
- the equity-accounted value of associates totalled €4.519 million (€4,289 million at 31 December 2018).

FCA Bank is a joint venture created with the Fiat Chrysler Automobiles Group. In July 2013, Crédit Agricole S.A., Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles (formerly Fiat Group Automobiles) signed an agreement to extend their 50/50 joint venture until 31 December 2021. Active in 16 European countries, the company manages all financing transactions for car dealers and private customers for the following brands: Fiat, Lancia, Alfa Romeo, Maserati, Chrysler, Jeep, Fiat Professional, Abarth, Ferrari in Europe as well as Jaguar Land Rover in continental Europe. It is key to the development of the Group's automotive joint venture business.

Material associates and joint ventures are presented in the table below. These are the main joint ventures and associates that make up the "Equity-accounted value on the balance sheet".

	31/12/2019					
(in millions of euros)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]
Joint ventures						
FCA Bank	50.0%	1,818	-	90	232	1,572
S3 Latam Holdco 1	34.8%	234	-	-	-	357
Others		532	-		56	719
Net carrying amount of investments in equity-accounted entities (joint ventures)		**2,584**			**288**	**2,648**
Associates						
Icade	19.0%	929	1,372	63	32	539
Ramsay Générale de Santé	39.6%	663	735	-	3	395
Korian	24.4%	650	838	11	29	610
Altarea	24.7%	596	835	51	65	497
GAC Sofinco Auto Finance Co. (ex-GAC CACF)	50.0%	358	-	6	51	358
SCI Heart of La Défense	33.3%	269	266	14	11	269
Frey	19.3%	146	156	4	7	113
Wafasalaf	49.0%	139	-	13	15	81
ABC-CA Fund Management Co.	23.3%	131	-	-	9	131
SBI Funds Management Private Limited	25.9%	103	-	5	24	76
Others		535			78	290
Net carrying amount of investments in equity-accounted entities (associates)		**4,519**			**324**	**3,359**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**7,103**			**612**	**6,007**

(1) The share of income of insurance activities and associates as well as the related share of benefits are classified as Net Banking Income in the income statement.

(2) Shareholders' equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group.

(in millions of euros)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income[1]	Share of shareholders' equity[2]
						31/12/2018
Joint ventures						
FCA Bank S.p.A	50.0%	1,672	-	-	133	1,427
Others		347	-	-	61	454
Net carrying amount of investments in equity-accounted entities (joint ventures)		**2,019**			**194**	**1,881**
Associates						
Icade	18.4%	935	911	59	22	566
Korian	23.2%	615	591	5	42	578
Altarea	24.7%	559	657	50	54	462
Ramsay – Générale de Santé	38.4%	439	624	-	3	181
GAC – Sofinco Auto Finance Co. Ltd	50.0%	311	-	-	38	311
SCI Heart of La Défense[3]	33.3%	271	271	-	(5)	271
SCI Cargo Property Holding	28.0%	182	207	10	3	182
Wafasalaf	49.0%	135	-	13	12	79
ABC-CA Fund Management Co.	23.3%	121	-	-	20	121
Frey	19.2%	114	100	2	14	112
Others		607			94	273
Net carrying amount of investments in equity-accounted entities (associates)		**4,289**			**297**	**3,136**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**6,308**			**491**	**5,017**

(1) The share of income of insurance activities and associates as well as the related share of benefits are classified as Net Banking Income in the income statement.

(2) Shareholders' equity Group share in the financial statements of the joint venture or associate when the joint venture or associate is a sub-group. The effect of 2018 inclusion into the scope of consolidation of the insurance entities generate an impact of -€46 million in gains and losses on equity securities accounted in other comprehensive income that cannot be reclassified.

(3) SCI Heart of La Défense entered the scope of consolidation under the equity method in 2018.

The market value shown in the table above is the quoted price of the shares on the market at 2019. This value may not be representative of the selling value since the value in use of equity-accounted entities may be different from the equity-accounted value determined pursuant to IAS 28. Investments in equity-accounted entities were subject to impairment tests, in case of an indication of impairment, using the same methodology as for goodwill.

Condensed financial information for the material associates and joint ventures of Crédit Agricole S.A. Group is shown below:

(in millions of euros)	Revenues	Net income	Total assets	Total Equity
				31/12/2019
Joint ventures				
FCA Bank	1,018	467	31,582	3,143
S3 Latam Holdco 1	-	-	715	714
Associates				
Icade	175	175	11,828	3,596
Ramsay Générale de Santé	8	8	4,361	1,039
Korian	119	119	10,720	2,478
Altarea	263	263	8,563	3,187
GAC Sofinco Auto Finance Co. (ex-GAC CACF)	217	101	5,214	1,471
SCI Heart of La Défense	33	33	1,881	816
Frey	35	35	1,056	583
Wafasalaf	103	30	1,244	332
ABC-CA Fund Management Co.	80	28	461	785
SBI Funds Management Private Limited	150	66	254	413

(in millions of euros)	31/12/2018 Revenues	Net income	Total assets	Total Equity
Joint ventures				
FCA Bank S.p.A	954	387	30,396	2,854
Associates				
Icade	120	120	11,388	3,812
Korian	180	180	7,279	2,480
Altarea	220	220	8,247	3,060
Ramsay – Générale de Santé	7	7	2,502	511
Gac – Sofinco Auto Finance Co. Ltd ex-GAC CACF	172	76	5,520	1,267
SCI Heart of La Défense(1)	(15)	(15)	1,876	825
SCI Cargo Property Holding	10	10	595	576
Wafasalaf	-	25	-	161
ABC-CA Fund Management Co.	108	59	420	724
Frey	71	71	1,048	581

(1) SCI Heart of La Défense entered the scope of consolidation under the equity method in 2018.

Significant restrictions on joint ventures and associates

Crédit Agricole Group has the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole Group are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole Group.

Legal constraints

The subsidiaries of Crédit Agricole Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the Insurance business

Assets backing unit-linked contracts of Crédit Agricole Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

6.14 INVESTMENT PROPERTIES

(in millions of euros)	31/12/2018	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31/12/2019
Gross amount	7,439	97	654	(403)	-	-	7,787
Depreciation and impairment	(472)	(15)	(37)	26	-	(13)	(511)
CARRYING AMOUNT(1)	**6,967**	**82**	**617**	**(377)**	**-**	**(13)**	**7,276**

(1) Including investment property let to third parties.

(in millions of euros)	31/12/2017	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31/12/2018
Gross amount	7,203	154	568	(576)	-	90	7,439
Depreciation and impairment	(459)	-	(31)	28	-	(10)	(472)
CARRYING AMOUNT(1)	**6,744**	**154**	**537**	**(548)**	**-**	**80**	**6,967**

(1) Including investment property let to third parties.

Fair value of investments properties

The market value of investment property recorded at cost, as valued by "expert appraisers", was €11,023 million at 31 December 2019 compared to €10,346 million at 31 Decembrer 2018.

(in millions of euros)		31/12/2019	31/12/2018
Quoted prices in active markets for identical instruments	Level 1	2	2
Valuation based on observable data	Level 2	10,777	10,137
Valuation based on unobservable data	Level 3	244	207
MARKET VALUE OF INVESTMENT PROPERTIES		**11,023**	**10,346**

All investment property are recognised at cost in the balance sheet.

6.15 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS (EXCLUDING GOODWILL)

Operating property, plant and equipment includes the rights to use fixed assets leased as lessee as from 1 January 2019 (see Note 1.1 "Applicable standards and comparability" – IFRS 16 "Leases").

Depreciation and impairment of property, plant and equipment are presented including depreciation on property, plant and equipment leased under operating leases.

(in millions of euros)	31/12/2018	01/01/2019[1]	Changes in scope[2]	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2019
PROPERTY, PLANT & EQUIPMENT USED IN OPERATIONS								
Gross amount	17,861	19,894	288	1,837	(1,118)	57	229	21,187
Depreciation and impairment	(10,083)	(10,181)	(211)	(1,319)	769	(25)	(67)	(11,034)
CARRYING AMOUNT	**7,778**	**9,713**	**77**	**518**	**(349)**	**32**	**162**	**10,153**
INTANGIBLE ASSETS	-	-	-	-	-	-	-	-
Gross amount	7,466	7,292	1,238	674	(414)	11	15	8,816
Depreciation and impairment	(5,024)	(4,926)	(347)	(509)	386	(6)	(31)	(5,433)
CARRYING AMOUNT	**2,442**	**2,366**	**891**	**165**	**(28)**	**5**	**(16)**	**3,383**

(1) Right of use impact recognised in First Time Application of the IFRS 16 standard (cf. Note 1.1 Applicable standards and comparability).

(2) Mainly due to the entry into the scope of consolidation of Agos S.p.A and Santander Securities Servicies S.A.

(in millions of euros)	31/12/2017	01/01/2018	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Translation adjustments	Other movements	31/12/2018
PROPERTY, PLANT & EQUIPMENT USED IN OPERATIONS								
Gross amount	17,371	17,371	18	1,240	(771)	29	(26)	17,861
Depreciation and impairment	(9,746)	(9,746)	(7)	(820)	482	(14)	22	(10,083)
CARRYING AMOUNT	**7,625**	**7,625**	**11**	**420**	**(289)**	**15**	**(4)**	**7,778**
INTANGIBLE ASSETS								
Gross amount	6,991	6,991	19	599	(204)	3	58	7,466
Depreciation and impairment	(4,677)	(4,677)	(2)	(458)	142	(1)	(28)	(5,024)
CARRYING AMOUNT	**2,314**	**2,314**	**17**	**141**	**(62)**	**2**	**30**	**2,442**

6.16 GOODWILL

(in millions of euros)	31/12/2018 gross	31/12/2018 net	Increases (acquisitions)	Decreases (Divestments)	Impairment losses during the period	Translation adjustments	Other movements	31/12/2019 gross	31/12/2019 net
French retail banking – LCL	**5,579**	**5,026**	**17**	**-**	**(663)**	**-**	**1**	**5,596**	**4,381**
of which LCL Group	5,558	5,018	-	-	(664)	-	-	5,558	4,354
of which CR	21	8	17	-	1	-	1	38	27
International retail banking	**3,387**	**1,795**	**-**	**-**	**-**	**5**	**-**	**3,409**	**1,800**
of which Italy	3,042	1,762	-	-	-	-	-	3,042	1,762
of which Poland	218	-	-	-	-	-	-	221	-
of which Ukraine	39	-	-	-	-	-	-	49	-
of which other countries	88	33	-	-	-	5	-	97	38
Asset gathering	**6,997**	**6,997**	**7**	**-**	**-**	**37**	**-**	**7,039**	**7,041**
of which asset management	4,914	4,914	2	-	-	15	-	4,929	4,931
of which insurance	1,262	1,262	-	-	-	-	-	1,262	1,262
of which international wealth management	821	821	5	-	-	22	-	848	848
Specialised financial services	**2,729**	**1,026**	**103**	**-**	**-**	**-**	**-**	**2,832**	**1,129**
of which Consumer finance (excl. Agos)	1,695	956	-	-	-	-	-	1,695	956
of which Consumer finance-Agos(1)	569	-	103	-	-	-	-	672	103
of which Factoring	465	70	-	-	-	-	-	465	70
Large customers	**2,468**	**1,148**	**248**	**-**	**-**	**-**	**-**	**2,716**	**1,396**
of which Corporate and investment banking	1,817	497	-	-	-	-	-	1,817	497
of which Asset servicing(2)	651	651	248	-	-	-	-	899	899
Corporate Centre	**72**	**72**	**-**	**-**	**-**	**-**	**-**	**72**	**72**
TOTAL	**21,232**	**16,064**	**375**	**-**	**(663)**	**42**	**1**	**21,664**	**15,819**
Group Share(3)	**19,890**	**14,819**	**334**	**-**	**(664)**	**38**	**(286)**	**19,973**	**14,242**
Non-controlling interests(3)	**1,342**	**1,245**	**42**	**-**	**-**	**4**	**286**	**1,405**	**1,577**

(1) Goodwill of €103 million following the acquisition of ProFamily S.p.A. by the CACF Group on 30 June 2019.

(2) Goodwill of €248 million following the merger between the CACEIS group and Santander Securities Services S.A. in Q4 2019.

(3) The reclassification of -€286 million from Group share to non-controlling interests for +€286 million is due to changes in the percentage ownership of the entity CA Italy following the equity transactions on the entities Friuladria and Carispezia for €12 million and to the merger between CACEIS and Santander Securities Services in Q4 2019 for €274 million.

Determining the value in use of the CGUs

Goodwill was subject to impairment tests based on the assessment of the value in use of the cash generating units (CGU) with which it is associated. Determining the value in use was based on discounting the CGUs' estimated future cash flows calculated from activities forecasts over a period over three years (2020-2022) developed for Group management purposes, extrapolated over a fourth and fifth year in order to marge towards growth trends to infinity.

The economic scenario on which the projected financial trajectories are based is that of (i) a marked slowdown in economic growth in the United States in 2020 under the effect of less budget support, followed by a gradual recovery; and ii) a slight decline in growth in the euro zone, accompanied by inflation that is still very measured.

Thus, central banks will sustainably pursue accommodative monetary policies maintaining interest rates at a low level for an extended period, even negative for short Euro rates. A sharp drop in European growth is not to be expected thanks to the support of household consumption, despite a low productive investment and a geopolitical climate still very uncertain. Therefore:

- in the Euro area, the scenario includes a slight decline in growth, below its potential level, with manufacturing activities stabilising and household consumption holding up well. Nevertheless, there are differences in performance between countries in the euro area, depending on their degree of exposure to world trade and the manufacturing sector. This configuration has a weaker impact on France than on the most export-oriented countries such as Germany. As regards inflation, the zone remains at a moderate level, close to that of 2019;
- the European Central Bank should continue to conduct a monetary policy that is still very accommodating, precisely in order to try to stimulate inflation: no key interest rate increase is anticipated between now and the end of 2022, while Quantitative Easing is expected to be maintained over this period. Thus, short-term rates are expected to remain in negative territory until after 2022; core long-term rates are expected to follow an identical path at a very low level. The failure to "normalise" German rates in the short term will create a favourable environment for the search for yields, the flattening of yield curves and the compression of spreads in the so-called peripheral countries;

- the year 2019 was marked by a preventive easing of the Fed's monetary policy. Three Fed rate cuts between July and October helped to stimulate underlying inflation in the United States. The Fed is not expected to tighten its rates before 2022, with a very incremental increase in long-term rates amidst a very gradual resumption of growth;
- economic developments in the emerging countries are likely to remain rather positive despite a fairly widespread slowdown in growth. The area is highly vulnerable to external events, such as developments in the Fed's monetary policy and geopolitical and trade tensions around the world. Of particular note is the gradual slowdown in Chinese growth, a less sustained trend in India, but also a moderate recovery in trends in Russia and Brazil. Lastly, localised but numerous social movements are likely to create pockets of instability.

As of 31 December 2019, perpetual growth rates, discount rates and capital allocated rates as a proportion of risk-weighted assets were distributed by business lines as shown in the table below:

In 2019	Perpetual growth rates	Discount rate	Capital allocated
French retail banking – LCL	2.0%	7.8%	10.00%
International retail banking – Italy	2.0%	9.2%	9.8%
International retail banking – Others	5.0%	17.0%	9.5%
Specialised financial services	2.0%	7,3% à 9,7%	9,7% à 9,9%
Asset gathering	2.0%	7,3% à 8,3%	9,8% 80% of solvability margin (Insurance)
Large customers	2.0%	7,8% à 9,2%	9,8% à 9,9%

The increase by the European Central Bank (ECB) of regulatory prudential requirements under Pillar 1 and Pillar 2 with effect from 2016 led Crédit Agricole S.A. progressively to raise the level of capital allocated to CGUs as a percentage of risk-weighted assets for certain entities. Last year, this allocation was of between 9.50% and 9.75% of weighted assets.

In 2018, the French High Committee for Financial Stability (HCSF) had decided to implement a counter-cyclical cushion of 0.25% of risk-weighted assets corresponding to French exposures. On 3 April 2019, the HCSF published its decision to raise the rate of the capital cushion to 0.5% of risk-weighted assets, effective 2 April 2020. In addition to this increase in the counter-cyclical cushion in France, since 2018 we integrate the very marginal impact of cushions in place in some foreign countries for the allocation of equity capital to the CGUs. This ultimately results in the adoption, for the various banking CGUs, of a CET1 equity allocation of between 9.5% and 10.0% of of weighted assets.

The discount rates determined at 31 December 2019 for all business lines reflect the continued decline in long-term interest rates in the Eurozone and more particularly in France. Equity risk premiums, on the other hand, only changed very slightly. These changes are reflected in a significant decrease of between -40 and -50 basis points in the discount rates used compared with end-2018, depending on the CGUs. Given the continued strong competitive pressure on mortgage lending in France in a context of zero or negative interest rates, the discount rate remained unchanged at 7.8% for the Retail banking in France – LCL CGU.

The perpetual growth rates at 31 December 2019 were unchanged from those used at 31 December 2018, with the exception of the rate applied to activities in Egypt, which has been reduced to take into account the decline in inflation in the country.

Sensitivity of the valuation of CGUs to the main valuation parameters

The sensitivity of the value in use of the CGUs comprising each of the major business segments to the variation of certain valuation parameters is presented in the following table:

	Sensitivity to capital allocated	Sensitivity to discount rates		Sensitivity to cost of risk in the final year		Sensitivity to the cost/income ratio in the final year	
In 2019	+100 bp	-50 bp	+50 bp	-10%	+10%	-100 bp	+100 bp
French retail banking – LCL	-1.9%	+8.8%	-7.4%	+3.1%	-3.1%	+3.3%	-3.3%
International retail banking – Italy	-4.5%	+7.1%	-6.2%	+2.3%	-2.3%	+2.4%	-2.4%
International retail banking – Others	-1.5%	+3.9%	-3.6%	+1%	-1%	+1.3%	-1.3%
Specialised financial services	-4.9%	+9.1%	-7.7%	+9.1%	-9.1%	+4.2%	-4.2%
Asset gathering	-0.7%	+9.1%	-7.6%	NS	NS	+1.4%	-1.4%
Large customers	-8%	+8%	-6.9%	+1.3%	-1.3%	+2.5%	-2.5%

Sensitivity analysis have been conducted on goodwill – group share with variations of the main parameters of valuation applied uniformly for all CGU. These tests show that the CGU of Retail Banking in France and International retail banking – Italy, being affected by the integration of sustainable low rates, are the most sensitive to the downgrades of the parameters of the model. Concerning the Retail banking in France – LCL CGU, the goodwill attached to it having been impaired this year, the value in use is equal to the consolidated value, so that any deterioration of a parameter determines a negative difference between the value in use and the consolidated value.

- With regard to financial parameters, Retail banking in France – LCL CGU aside for reasons explained above, the sensitivity scenarios tested would lead to the identification of an impairment charge only for the International retail banking – Italy CGU. In fact:
  - a +50 basis point change in discount rates would result in an impairment charge of approximately €50 million on the International retail banking – Italy CGU and an additional impairment charge of approximately €790 million for the Retail banking in France – LCL CGU;
  - a +100 basis point change in the level of equity allocated to the banking CGUs would not result in an impairment charge for the International Retail Banking – Italy CGU, and would result in an additional impairment charge of approximately €200 million on the Retail banking in France – LCL CGU.Note that a +100 basis point change in discount rates would not result in an impairment charge for any CGU other than Retail banking – LCL and Italy.
- With regard to operational parameters:
  - the simulated deterioration assumptions, namely a scenario of a +10% increase in the cost of risk in the last year of the projection and that of a +100 basis point change in the cost-to-income ratio for the same year, would not result in a negative difference between value in use and the carrying amount for any CGUs other than Retail banking in France – LCL: the scenario of a +100 basis point change of the cost-to-income ratio in the final year of projection would result in a negative difference of about €350 million between value in use and consolidated value, whereas in the case of a +10% change in the cost of risk in the final year, this difference would be around €330 million.

6.17 INSURANCE COMPANY TECHNICAL RESERVES

Breakdown of insurance technical reserves

	31/12/2019				
(in millions of euros)	Life	Non-Life	International	Creditor	Total
Insurance contracts	208,188	8,263	24,167	2,005	242,623
Investment contracts with discretionary profit-sharing	70,161	-	15,284	-	85,445
Investment contracts without discretionary profit-sharing	2,420	-	1,693	-	4,113
Deferred participation benefits (liability)	25,823	99	764	-	26,686
Total Technical reserves	**306,592**	**8,362**	**41,908**	**2,005**	**358,867**
Deferred participation benefits (asset)	-	-	-	-	-
Reinsurer's share of technical reserves	1,151	588	87	280	2,106
NET TECHNICAL RESERVES	**307,743**	**8,950**	**41,995**	**2,285**	**360,973**

	31/12/2018				
(in millions of euros)	Life	Non-Life	International	Creditor	Total
Insurance contracts	190,622	7,432	19,475	1,860	219,389
Investment contracts with discretionary profit-sharing	73,316	-	13,819	-	87,135
Investment contracts without discretionary profit-sharing	2,366	-	1,484	-	3,850
Deferred participation benefits (liability)	16,244	42	-	-	16,286
Total Technical reserves	**282,548**	**7,474**	**34,778**	**1,860**	**326,660**
Deferred participation benefits (asset)	-	-	52	-	52
Reinsurer's share of technical reserves	(1,015)	(462)	(71)	(275)	(1,823)
NET TECHNICAL RESERVES	**281,533**	**7,012**	**34,759**	**1,585**	**324,889**

Reinsurers' share in technical reserves and other insurance liabilities is recognised under "Accruals, prepayments and sundry liabilities". The breakdown of insurance company technical reserves is presented before elimination of issues in euro and in units of account subscribed by insurance companies.

Provision for increasing risks may be required for insurance transactions against the risk of sickness and disability when the premiums are unbroken. It is equal to the difference between the current values of the commitments made by the insurer and by the policyholders. It is calculated based on a continuous process of updating biometric bases (probability of incidence of a state of dependency, length of support, etc.). Since 2017, an additional provision to cover increasing risks has been created for the *Assurance Dépendance* (LTCI) product. It takes the form of a global provision, separate from the provision for increasing regulatory risks, allowing it to deal with a possible shortfall in future financial production today, as this could not be compensated quickly by price revaluations that are contractually limited to 5% per annum.

Deferred policyholders' profit sharing, before tax, at 31 December 2019 and 31 December 2018 breaks down as follows:

Deferred participation benefits *(in millions of euros)*	31/12/2019 Deferred participation benefits liabilities (in assets when appropriate)	31/12/2018 Deferred participation benefits in liabilities (in assets when appropriate)
Deferred participation on revaluation of financial assets at fair value through other comprehensive income and hedging derivatives	(22,649)	(14,669)
of which deferred participation on revaluation of financial assets at fair value through other comprehensive income[1]	(23,421)	(15,561)
of which deferred participation hedging derivatives	772	892
Deferred participation on financial assets at fair value through profit or loss adjustment	(1,783)	479
Other deferred participation	(2,254)	(2,043)
TOTAL PRE-TAX OTHER DEFERRED PARTICIPATION BENEFITS	**(26,686)**	**(16,233)**

(1) See Note 6.4 "Assets at fair value through other comprehensive income".

6.18 PROVISIONS

(in millions of euros)	31/12/2018	01/01/2019[1]	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2019
Home purchase schemes risks	766	766	-	429	-	-	-	-	1,195
Execution risks of commitments by signature	1,406	1,406	-	2,384	(43)	(2,285)	8	11	1,481
Operational risks	385	385	-	77	(21)	(59)	1	20	403
Employee retirement and similar benefits	1,973	1,973	17	207	(253)	(134)	8	164	1,982
Litigation	2,445	806	3	93	(50)	(98)	2	96	852
Equity investments	6	6	-	4	(1)	(3)	-	-	6
Restructuring	25	25	16	13	(2)	(3)	-	(16)	33
Other risks	1,101	1,101	29	246	(172)	(188)	-	(31)	985
TOTAL	**8,107**	**6,468**	**65**	**3,453**	**(542)**	**(2,770)**	**19**	**244**	**6,937**

(1) Reclassification of provisions for tax risks relating to income tax from "Provisions" to "Current and deferred tax liabilities" at 1 January 2019 for €1,639 million.

At 31 December 2019, employee retirement and similar benefits included €103 million (€176 million at 31 December 2018) of provisions arising from social costs of the adaptation plans. The provision for restructuring includes the non-social costs of those plans.

(in millions of euros)	31/12/2017	01/01/2018	Changes in scope	Depreciation charges	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2018
Home purchase schemes risks	747	747	-	30	-	(11)	-	-	766
Execution risks of commitments by signature	627	1,142	-	1,210	(55)	(1,336)	3	442	1,406
Operational risks	428	427	-	62	(19)	(86)	-	1	385
Employee retirement and similar benefits	2,116	2,116	(1)	176	(223)	(65)	11	(41)	1,973
Litigation	1,477	1,477	5	1,380	(101)	(230)	6	(92)	2,445
Equity investments	21	21	(1)	3	(13)	(3)	-	(1)	6
Restructuring	37	37	-	-	(4)	(8)	-	-	25
Other risks	912	912	3	384	(175)	(153)	(1)	131	1,101
TOTAL	**6,365**	**6,879**	**6**	**3,245**	**(590)**	**(1,892)**	**19**	**440**	**8,107**

Inquiries and requests for regulatory information

The main files linked to inquiries and requests for regulatory information are:

Strauss/Wolf/Faudem

US citizens and members of their families who were victims of terrorist attacks attributed to Hamas and committed in Israel between 2001 and 2004 have brought proceedings against Crédit Lyonnais and another bank before a New York court.

They claim that these banks gave support to terrorists as they each kept an account opened (in 1990 in the case of Crédit Lyonnais) by a charity providing aid to Palestinians. The plaintiffs allege that the account was used to transfer funds to Palestinian entities accused of financing Hamas. The plaintiffs, who have not put a figure on the damages they have suffered, are claiming compensation for "injury, anguish and emotional pain".

As the matter and the proceedings currently stand, the plaintiffs have not provided proof that the charity was actually linked to terrorists, nor that Crédit Lyonnais was aware that its client could have been involved (if it were to be proven) in financing terrorism. The Court nonetheless demanded that this be demonstrated by the plaintiffs if they are to win their case. Crédit Lyonnais vigorously denies the plaintiffs' allegations.

Under a ruling made on 28 February 2013, the judge issued a Summary Judgement referring Crédit Lyonnais and the plaintiffs to a jury trial on the merits.

In February 2018, Crédit Lyonnais filed a new motion for a summary judgement based on a recent case-law so that the plaintiffs' claims can be dismissed without such a jury trial.

On January 2019 the plaintiffs tried to modify their briefs in order to add new plaintiffs before their action be time-barred. The judge refused this request and two new actions (Fisher and Miller) have been filed before the same court as the one in charge of the procedures Strauss /Wolf. They are similar to the pending actions, their legal analysis are identical and their result will depend on the outcome of the motion for a summary judgement filed by Crédit Lyonnais in February 2018. From a procedural standpoint they will remain outstanding until then.

On 31 March 2019 the court upheld in its entirety the "motion for summary judgment" filed by Crédit Lyonnais in February 2018. It considered that no reasonable jury could find in favour of the plaintiffs and dismissed all their claims. The plaintiffs appealed against this decision.

CIE case (Cheque Image Exchange)

In March 2008, LCL and Crédit Agricole S.A. and ten other banks were served notice of grievances on behalf of the *Conseil de la concurrence i.e.* the French Competition Council (now the *Autorité de la concurrence*).

They are accused of colluding to implement and apply interchange fees for cashing cheques, since the passage of the Cheque Image Exchange system, *i.e.* between 2002 and 2007. In the opinion of the *Autorité de la concurrence,* these fees constitute anti-competitive price agreements in the meaning of Articles 81 paragraph 1 of the treaty establishing the European Community and Article L. 420-1 of the French Commercial Code, and allegedly caused damage to the economy.

In their defence, the banks categorically refuted the anticompetitiveness of the fees and contested the legality of the proceedings.

In a decision published on 20 September 2010, the *Autorité de la concurrence* stated that the Cheque Image Exchange fee (CEIC) was anti-competitive by its very aim and that it artificially increased the costs borne by remitting banks, which resulted in an unfavourable impact on the prices of banking services. Concerning one of the fees for related services, the fee for cancellation of wrongly cleared transactions (AOCT), the *Autorité de la concurrence* called on the banks to revise their amount within six months of the notification of the decision.

The accused banks were sanctioned for an overall amount of €384.92 million.

LCL and Crédit Agricole were respectively sentenced to pay €20.7 million and €82.1 million for the CEIC and €0.2 million and €0.8 million for the AOCT.

All of the banks appealed the decision to the Paris Court of Appeal. By a decree of 23 February 2012, the Court overruled the decision, stating that the *Autorité de la concurrence* had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

The *Autorité de la concurrence* filed an appeal with the Supreme Court on 23 March 2012.

On 14 April 2015, the French Supreme Court *(Cour de cassation)* overruled the Paris Court of Appeal's decision dated 23 February 2012 and remanded the case to the Paris Court of Appeal with a change in the composition of the Court on the sole ground that the Paris Court of Appeal declared the *UFC-Que Choisir* and ADUMPE's interventions in the proceedings devoid of purpose without having considered their arguments.

The Supreme Court did not rule on the merits of the case and Crédit Agricole has brought the case before the Paris Court of Appeal.

The Paris Court of Appeal issued a decree on 21 December 2017. It confirmed the decision of the *Autorité de la concurrence* dated 20 September 2010 but reduced from €82,940,000 to €76,560,000 the sanction on Crédit Agricole. LCL's sanction remains unchanged, at an amount of €20,930,000.

As well as the other banks parties to this procedure, LCL and Crédit Agricole filed an appeal with the Supreme Court.

On 29 January 2020, the French Supreme Court *(Cour de cassation)* overruled the Paris Court of Appeal's decision dated 21 December 2017 and referred the case to the same Court with a different composition on the ground that the Paris Court of Appeal had not characterized the existence of restrictions of competition by object.

Office of Foreign Assets Control (OFAC)

In October 2015, Crédit Agricole S.A. and its subsidiary Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) reached agreements with the US and New York authorities that had been conducting investigations regarding US dollar transactions with countries subject to US economic sanctions. The events covered by this agreement took place between 2003 and 2008.

Crédit Agricole CIB and Crédit Agricole S.A., which cooperated with the US and New York authorities in connection with their investigations, have agreed to pay a total penalty amount of $787.3 million (*i.e.* €692.7 million). The payment of this penalty has been allocated to the pre-existing reserve that had already been taken and, therefore, has not affected the accounts for the second half of 2015.

The agreements with the Board of Governors of the Federal Reserve System (Fed) and the New York State Department of Financial Services (NYDFS) are with CASA and Crédit Agricole CIB. The agreement with the Office of Foreign Assets Control (OFAC) of the US Department of the Treasury is with Crédit Agricole CIB. Crédit Agricole CIB also entered into separate deferred prosecution agreements (DPAs) with the United States Attorney's Office for the District of Columbia (USAO) and the District Attorney of the County of New York (DANY), the terms of which are three years. On 19 October 2018 the two deferred prosecution agreements with USAO and DANY ended at the end of the three year period, Crédit Agricole CIB having complied with all its obligations under the DPAs.

Crédit Agricole continues to strengthen its internal procedures and its compliance programs regarding laws on international sanctions and will continue to cooperate fully with the US and New York authorities with its home regulators, the European Central Bank and the French Regulatory and Resolution Supervisory Authority (ACPR), and with the other regulators across its worldwide network.

Pursuant to the agreements with NYDFS and the US Federal Reserve, Crédit Agricole's compliance program is subject to regular reviews to evaluate its effectiveness, including a review by an independent consultant appointed by NYDFS for a term of one year and annual reviews by an independent consultant approved by the Federal Reserve.

Euribor/Libor and other indexes

Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB, in their capacity as contributors to a number of interbank rates, have received requests for information from a number of authorities as part of investigations into: (i) the calculation of the Libor (London Interbank Offered Rates) in a number of currencies, the Euribor (Euro Interbank Offered Rate) and certain other market indices; and (ii) transactions connected with these rates and indices. These demands covered several periods from 2005 to 2012.

As part of its cooperation with the authorities, Crédit Agricole S.A. and its subsidiary Crédit Agricole CIB carried out investigations in order to gather the information requested by the various authorities and in particular the American authorities – the DOJ (Department of Justice) and CFTC (Commodity Future Trading Commission) – with which they are in discussions. It is currently not possible to know the outcome of these discussions, nor the date when they will be concluded.

Furthermore, Crédit Agricole CIB is currently under investigation opened by the Attorney General of the State of Florida on both the Libor and the Euribor.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a notification of grievances to Crédit Agricole S.A. and to Crédit Agricole CIB pertaining to agreements or concerted practices for the purpose and/or effect of preventing, restricting or distorting competition in derivatives related to the Euribor.

In a decision dated 7 December 2016, the European Commission jointly fined Crédit Agricole S.A. and Crédit Agricole CIB €114,654,000 for participating in a cartel in euro interest rate derivatives. Crédit Agricole S.A. and Crédit Agricole CIB are challenging this decision and have asked the European Court of Justice to overturn it.

Additionally, the Swiss competition authority, COMCO, is conducting an investigation into the market for interest rate derivatives, including the Euribor, with regard to Crédit Agricole S.A. and several Swiss and international banks. Moreover, in June 2016 the South Korean competition authority (KFTC) decided to close the investigation launched in September 2015 into Crédit Agricole CIB and the Libor index on various currencies, Euribor and Tibor indices. The investigation into certain foreign exchange derivatives (ABS-NDF) has been closed by the KFTC according to a decision notified to Crédit Agricole CIB on 20 December 2018.

Concerning the two class actions in the United States of America in which Crédit Agricole S.A. and Crédit Agricole CIB have been named since 2012 and 2013 along with other financial institutions, both as defendants in one ("Sullivan" for the Euribor) and only Crédit Agricole S.A. as defendant for the other ("Lieberman" for Libor), the "Lieberman" class action is at the preliminary stage that consists in the examination of its admissibility; proceedings are still suspended before the US District Court of New York State. Concerning the "Sullivan" class action, Crédit Agricole S.A. and Crédit Agricole CIB introduced a motion to dismiss the applicants' claim. The US District Court of New York State upheld the motion to dismiss regarding Crédit Agricole S.A. and Crédit Agricole CIB in first instance. On 14 June 2019, the plaintiffs appealed this decision.

Since 1 July 2016, Crédit Agricole S.A. and Crédit Agricole CIB, together with other banks, are also party to a new class action suit in the United States ("Frontpoint") relating to the SIBOR (Singapore Interbank Offered Rate) and SOR (Singapore Swap Offer Rate) indices. After having granted a first motion to dismiss filed by Crédit Agricole S.A. and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole S.A. from the Frontpoint case on the grounds that it had not contributed to the relevant indexes. The Court considered, however, taking into account recent developments in case law, that its jurisdiction could apply to Crédit Agricole CIB, as well as to all the banks that are members of the SIBOR index panel. The allegations contained in the complaint regarding the SIBOR/USD index and the SOR index were also rejected by the court, therefore the index SIBOR/Singapore dollar alone is still taken into account. On 26 December, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indexes that affected the transactions in US dollars. Crédit Agricole CIB, alongside the other defendants, objected to this new complaint at the hearing held on 2 May 2019 before the New York Federal District Court. On July 26, 2019, the Federal Court granted the defendants' motion to dismiss. The plaintiffs filed a notice of appeal on August 26, 2019.

These class actions are civil actions in which the plaintiffs claim that they are victims of the methods used to set the Euribor, Libor, SIBOR and SOR rates, and seek repayment of the sums they allege were unlawfully received, as well as damages and reimbursement of costs and fees paid.

Banque Saudi Fransi

Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB) had received in 2018 a request for arbitration submitted by Banque Saudi Fransi (BSF) before the International Chamber of Commerce (ICC). The dispute related to the performance of a technical services agreement between BSF and Crédit Agricole CIB that is no longer in force. BSF had quantified its claim at SAR 1,023,523,357, the equivalent of about € 242 million. Crédit Agricole CIB and BSF have recently entered into an agreement effectively ending the ICC arbitration proceedings. This agreement has no significant impact on Crédit Agricole CIB's Financial Statements.

Bonds SSA

Several regulators requested information to Crédit Agricole S.A. and to Crédit Agricole CIB for investigations relating to activities of different banks involved in the secondary trading of Bonds SSA (Supranational, Sub-Sovereign and Agencies) denominated in American dollars. Through the cooperation with these regulators, Crédit Agricole CIB proceeded to internal inquiries to gather the required information available. On 20 December 2018, the European Commission issued a Statement of Objections to a number of banks including Crédit Agricole S.A. and Crédit Agricole CIB within its inquiry on a possible infringement of rules of European Competition law in the secondary trading of Bonds SSA denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB became aware of these objections and issued a response on 29 March 2019, followed by an oral hearing on 10-11 July 2019. Crédit Agricole CIB is included with other banks in a putative consolidated class action before the United States District Court for the Southern District of New York. That action was dismissed on 29 August 2018 on the basis that the plaintiffs failed to allege an injury sufficient to give them standing. However the plaintiffs have been given an opportunity to attempt to remedy that defect. The plaintiffs filed an amended complaint on 7 November 2018. Crédit Agricole CIB as well as the other defendants have filed motions to dismiss the amended complaint. A judgment issued on 30 September 2019 dismissed the class action for lack of jurisdiction of Southern District Court of the New York.

On 7 February 2019, another class action was filed against CACIB and the other defendants named in the class action already pending before the United States District Court for the Southern District of New York.

On 11 July 2018, Crédit Agricole S.A. and Crédit Agricole CIB were notified with other banks of a class action filed in Canada, before the Ontario Superior Court of Justice. Another class action, not notified to date, would have been filed before the Federal Court of Canada. It is not possible at this stage to predict the outcome of these investigations, proceedings or class actions or the date on which they will end.

O'Sullivan and Tavera

On 9 November 2017, a group of individuals, (or their families or estates), who claimed to have been injured or killed in attacks in Iraq filed a complaint ("O'Sullivan I") against several banks including Crédit Agricole S.A., and its subsidiary Crédit Agricole Corporate Investment Bank (Crédit Agricole CIB), in US Federal District Court in New York.

On 29 December 2018, the same group of individuals, together with 57 new plaintiffs, filed a separate action ("O'Sullivan II") against the same defendants.

On 21 December 2018, a different group of individuals filed a complaint ("Tavera") against the same defendants.

All three complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants conspired with Iran and its agents to violate US sanctions and engage in transactions with Iranian entities in violation of the US Anti-Terrorism Act and the Justice Against Sponsors of Terrorism Act. Specifically, the complaints allege that Crédit Agricole S.A., Crédit Agricole CIB, and other defendants processed US dollar transactions on behalf of Iran and Iranian entities in violation of sanctions administered by the US Treasury Department's Office of Foreign Assets Control, which allegedly enabled Iran to fund terrorist organizations that, as is alleged, attacked plaintiffs. The plaintiffs are seeking an unspecified amount of compensatory damages.

On 2 March 2018, Crédit Agricole CIB and other defendants filed a motion to dismiss the O' Sullivan I Complaint. On 28 March 2019, the Court granted defendants' motion to dismiss. On 22 April 2019, the plaintiffs filed a motion to amend their complaint. Defendants submitted an opposition to that motion on 20 May 2019 and plaintiffs filed a reply on 10 June 2019. On 25 February 2020 the plaintiffs' motion to amend their complaint was denied and their original complaint dismissed with prejudice.

Italian Competition Authority

On 5 October 2018, CA Consumer Finance SA ("CACF") and its subsisidiary FCA Bank SpA owned at 50% received – together with several other banks and certain car manufacturers – a statement of objections from the *Autorità Garante della Concorrenza e del Mercato* (Italian Competition Authority). It was alleged in this statement of objections that several banks offering financing solutions for vehicles commercialized by certain car manufacturers have restricted competition as a result of certain exchanges of information, in particular within two professional associations.

In a decision notified on 9 January 2019 the *Autorità Garante della Concorrenza e del Mercato* considered that FCA Bank SpA had participated in this alleged infringement and this infringement was also attributable to CACF. FCA Bank SpA has been fined 178.9 million euro. FCA Bank SpA and CACF appealed against this decision before the Administrative Regional Court (TAR) of Lazio. On 4 April 2019, the TAR of Lazio issued an interim relief order staying the execution of the obligation to pay the fine imposed on FCA Bank S.p.A. subject to the provision by FCA Bank S.p.A. of a guarantee covering the amount of the fine.

Intercontinental Exchange, Inc. ("ICE")

On 15 January 2019 a class action was filed before a federal court in New York (US District Court Southern District of New York) against the Intercontinental Exchange, Inc. ("ICE") and a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. This action has been filed by plaintiffs who allege that they have invested in financial instruments indexed to the USD ICE LIBOR. They accuse the banks of having collusively set the index USD ICE LIBOR at artificially low levels since February 2014 and made thus illegal profits.

On 31 January 2019 a similar class action ("Livonia") has been filed before the US District Court Southern District of New York, against a number of banks including Crédit Agricole S.A., Crédit Agricole CIB and Crédit Agricole Securities-USA. On 1 February 2019, these two class actions were consolidated for pre-trial purposes.

On 4 March 2019, a third class action ("Hawaï Sheet Metal Workers retirement funds") was filed against the same banks in the same courtand consolidated with the two previous actions on 26 April 2019.

On 1st July 2019, the plaintiffs filed a "Consolidated Class Action Complaint". On 30 August 2019, the Defendants filed a motion to dismiss against this consolidated complaint.

Crédit Agricole Consumer Finance Nederland B.V.

The conditions for the review of the interest rates of revolving loans marketed by Crédit Agricole Consumer Finance Nederland BV, a fully owned subsidiary of Crédit Agricole Consumer Finance S.A., and its subsidiaries are the subject of borrowers' claims relating to the criteria for revising these rates and possible overpayments of interests.

On 21 January 2019, in two individual cases concerning two subsidiaries of Crédit Agricole Consumer Finance Nederland BV, the Appeals Committee of KIFID (the Financial Services Complaints Authority) in the Netherlands decided that in case the consumers had no or insufficient information on the specific factors that determine the interest rate, the individual interest rate needed to follow the movement of market interest rates on consumer loans.

Crédit Agricole Consumer Finance Nederland BV is considering the implementation of a compensation plan for the benefit of the borrowers during the year 2020 which will take into account the aforementioned decisions of KIFID. A provision of 90 million euros has been established in the accounts of Crédit Agricole Consumer Finance Nederland B.V.

Home purchase savings plan provision

Deposits collected in home purchase savings accounts and plans during the savings phase

(in millions of euros)	31/12/2019	31/12/2018
HOME PURCHASE SAVINGS PLANS		
Under 4 years old	6,417	12,429
Between 4 and 10 years old	48,311	38,159
Over 10 years old	49,439	50,082
Total home purchase savings plans	**104,167**	**100,670**
Total home purchase savings accounts	**11,946**	**11,682**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**116,113**	**112,352**

Customer deposits outstanding, excluding government subsidies, are based on the carrying amount at the end of November 2019 for the financial statements at 31 December 2019 and at the end of November 2018 for the financial statements at 31 December 2018.

Outstanding loans granted to holders of home purchase savings accounts and plans

(in millions of euros)	31/12/2019	31/12/2018
Home purchase savings plans	63	87
Home purchase savings accounts	321	465
TOTAL OUTSTANDING LOANS GRANTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**384**	**552**

Outstanding loans granted to holders of home purchase savings accounts and plans

(in millions of euros)	31/12/2019	31/12/2018
HOME PURCHASE SAVINGS PLANS		
Under 4 years old	3	27
Between 4 and 10 years old	545	292
Over 10 years old	647	447
Total home purchase savings plans	**1,195**	**766**
Total home purchase savings accounts	**-**	**1**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**1,195**	**767**

(in millions of euros)	31/12/2018	Depreciation charges	Reversals	Other movements	31/12/2019
Home purchase savings plans	766	429	-	-	1,195
Home purchase savings accounts	1	-	(1)	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**767**	**429**	**(1)**	**-**	**1,195**

Age plan is determined based on the date of the midway point in the generation of plans to which they belong.

Home purchase savings plans and accounts are recorded at 100% on the liability side of the consolidated balance sheet of Credit Agricole Group.

Half of the amount of outstanding loans related to home purchase savings plans and accounts is recognised by Crédit Agricole Group and the other half by the Regional Banks in the tables above.

The amounts recognised under provisions represent the portion of risk borne by Crédit Agricole S.A. and LCL and Regional Banks.

6.19 SUBORDINATED DEBT

(in millions of euros)	31/12/2019	31/12/2018
Dated subordinated debt(1)	20,786	20,572
Undated subordinated debt(2)	645	1,959
Mutual security deposits	168	162
Participating securities and loans	62	62
CARRYING AMOUNT	**21,661**	**22,755**

(1) Includes issues of dated subordinated notes “TSR”.

(2) Includes issues of deeply subordinated notes “TSS” and undated subordinated notes “TSDI”.

At 31 December 2019, deeply subordinated notes issued totalled €345 million, against €1,763 million at as at 31 December 2018.

The debt instruments issued by Crédit Agricole S.A. and subscribed for by Crédit Agricole Group insurance companies were eliminated for euro contracts. They were eliminated for the portion backing unit-linked contracts with financial risk borne by the policyholder.

Subordinated debt

The issue of subordinated debt plays a part in regulatory capital management while contributing to refinancing all of Crédit Agricole S.A.'s operation.

The Capital Requirements Regulation and Directive CRD 4/CRR (as last amended by Directive (EU) 2019/878 and Regulation (EU) 2019/876 of 20 May 2019, respectively) define, among other things, the conditions under which subordinated instruments qualify as regulatory capital and set out the terms and conditions for the phase-out of old instruments that do not meet these requirements, between 1 January 2014 (first effective date of the CRD 4 Directive and the CRR Regulation) and 1 January 2022, and, for instruments issued before 27 June 2019 (date of entry into force of Directive (EU) 2019/878 and Regulation (EU) 2019/876 of 20 May 2019 amending CRD 4 and CRR), until 28 June 2025 and subject to certain criteria.

All subordinated debt issuance, whether new or old, is likely to be subject to Bail-in in certain circumstances, particularly in the event of resolution of the issuing bank, in accordance with the Order of 20 August 2015 containing various provisions adapting French legislation to EU law on financial matters, transposing EU Directive of 15 May 2014 as last amended by Directive (EU) 2019/879 of 20 May 2019 on the loss-absorption capacity and recapitalisation of credit institutions and investment firms (the **"BRRD Directive"**) (whereby it is specified that this last European directive must be transposed into French law no later than by 28 December 2020).

The different types of subordinated debt issued by Crédit Agricole S.A. and still in circulation are detailed below: deeply subordinated notes issued before the effective date of CRD 4/CRR and deeply subordinated notes issued after 1 January 2014 (effective date of CRD 4/CRR), undated subordinated notes (issued before the effective date of CRD 4/CRR) and redeemable subordinated notes.

Deeply subordinated notes (TSS)

TSS – Volumes issued before CRD 4/CRR

TSS – Volumes issued before CRD 4/CRR came into force Deeply subordinated notes (TSS) issued by Crédit Agricole S.A. are either fixed or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated (lower-ranking) to all other more senior subordinated debt (including dated subordinated notes and undated subordinated notes).

Deeply subordinated notes are generally fixed-rate then floating-rate beyond a certain duration and include early repayment options at the discretion of Crédit Agricole S.A. (with certain reserves) beyond this same duration.

The coupons are non-cumulative and payment of a dividend by Crédit Agricole S.A. entails the obligation to pay the coupon on the TSS for a period of one year. However, the coupons may not be paid if Crédit Agricole S.A. experiences a regulatory event, *i.e.,* falls below the legal minimum equity ratio as defined by Pillar 1 or Pillar 2, or if the competent regulator anticipates such an event in the near future.

The notional amount and accrued interest are impaired, up to a maximum of 0.01 of the security's monetary unit if the issuer's total capital ratio falls below a minimum threshold, either contractual or regulatory, or by decision of the competent regulator.

Additional Tier 1 (AT1) TSS issued after CRD 4/CRR

Came into force The Additional Tier 1 deeply subordinated notes (AT1 TSS) issued by Crédit Agricole S.A. are consistent with the new CRD 4/CRR rules. The AT1 TSS issued by Crédit Agricole S.A. are either fixed and/or floating-rate and undated (unless they contain a contractually defined early redemption clause and subject to certain conditions). They are senior to Common Equity Tier 1 Capital (CET1), including Crédit Agricole S.A. shares, but subordinated to all other more senior subordinated debt and rank *pari passu* with TSS issued before CRD 4/CRR came into force.

AT1 TSS are generally fixed-rate but resettable beyond a certain duration and can include early repayment options subject to certain conditions beyond this same duration.

AT1 TSS issued by Crédit Agricole S.A. contain a clause providing for temporary partial impairment of the securities in the event the phased-in Basel 3 Common Equity Tier 1 regulatory ratio of Crédit Agricole Group falls below 7% or the phased-in Basel 3 Common Equity Tier 1 regulatory ratio of Crédit Agricole S.A. falls below 5.125%. They may be impaired up to a maximum of 0.01 of the issue's monetary unit of the securities issued.

Coupons are optional at the discretion of Crédit Agricole S.A. (which may decide on the suspension of interest payments) or at the competent regulator's request, and subject to regulatory limits if distributable amounts are insufficient or the Crédit Agricole Group or Crédit Agricole S.A. fails to meet regulatory requirements for total capital (including capital buffers).

Instruments classified as Tier 1 equity instruments (AT1 issued after the entry into force of CRD 4/CRR), recorded in Group equity, are detailed in Note 6.19.

Dated subordinated notes (TSR) and contingent capital securities

Dated subordinated notes (TSR) issued by Crédit Agricole S.A. are usually fixed-rate and pay interest on a quarterly or annual basis with a fixed maturity. They may be redeemed prior to maturity under contractually defined conditions and subject to certain conditions.

TSR are issued either on the French market under French law or on the international markets under UK, State of New York (United States) or Japanese law.

TSR differ from preferred and non-preferred senior bonds in terms of their ranking (principal and interest) as contractually defined by the subordination clause with reference to Article L. 228-97 of the French Commercial Code.

In the case of notes issued by Crédit Agricole S.A., in the event of liquidation (judicial or otherwise), dated subordinated notes (TSR) will be repaid after all other secured and unsecured creditors (including creditors of preferred and non-preferred senior bonds), but before either participating loans provided to Crédit Agricole S.A., or any participating notes issued by the Bank, as well as any deeply subordinated notes ("TSS", see above "Deeply subordinated notes (TSS)").

Early redemption as part of the conditions for all subordinated note issues (TSR or TSS)

Depending on the conditions determined at the time of their issue, the aforementioned TSR or TSS may be the subject of:

- on-market or off-market buy-back transactions or through public takeover bids or exchange offers subject to approval by the competent regulator and/or supervisory authority, and/or at the initiative of Crédit Agricole S.A., in accordance with the contractual clauses applicable to each issuance;
- the exercise of an early redemption option at the initiative of Crédit Agricole S.A. ("call option"), under the conditions and subject to approval by the competent regulator, where appropriate, at the times defined by the contractual terms of the issue, in the event that the issuance agreement for the securities contains such a clause.

Senior non-preferred debt issues

The law on transparency, the fight against corruption and the modernisation of the economy (also referred to as the "Sapin 2 Law") was published in the Official Journal on 10 December 2016 and became effective on 11 December, 2016. As part of this law, France created a new category of senior debt – senior "non-preferred" debt – meeting the eligibility criteria of the TLAC and MREL ratios (as they are presently defined)(codified in Articles L. 613-30-3-I-4° and R. 613-28 of the French Monetary and Financial Code). This category of debt is also taken by the BRRD Directive referred to above.

In the course of a resolution process (likely to occur prior to liquidation), it will be possible to impair senior non-preferred securities in full or in part, or to convert them into equity as part of the bail-in procedure, ahead of other senior debt securities (senior "preferred" debt securities) codified in Articles L. 613-30-3-I-3° of the French Monetary and Financial Code), but only after the full depreciation or the conversion into equity of subordinated instruments. The latter include own funds-related instruments of first category (CET1 and Additional Tier 1) and second category instruments (Tier 2). Only if the impairment or conversion of these instruments is insufficient will senior-non preferred debt securities be used in the bail-in of a particular institution.

In a liquidation event, senior non-preferred securities will be redeemed if there still are funds available, after the repayment of all senior preferred instruments, but ahead of subordinated securities (in particular of dated subordinated notes TSR known as "Tier 2" own funds).

The outstanding amount of senior non-preferred securities of Crédit Agricole S.A. and Crédit Agricole Group thus stood at €18.5 billion at 31 December 2019, compared to €13.5 billion at 31 December 2018.

Covered bond-type issues

In order to increase the amount of medium and long-term financing, the Group issues covered bonds through two subsidiaries in France and one subsidiary in Italy:

- Crédit Agricole Home Loan SFH, whose initial issue was launched in January 2009. The total amount outstanding, in euro equivalent, was €32.45 billion at 31 December 2019;
- Crédit Agricole Public Sector SCF, whose initial issue was launched in October 2012. The total amount issued and outstanding was €4 billion at 31 December 2019;
- Crédit Agricole Italia: the total amount issued and outstanding at 31 December 2019 was €8.95 billion in OBG (covered bonds), including €1.95 billion held at 31 December 2019.

6.20 UNDATED FINANCIAL INSTRUMENTS

The main issues of undated subordinated and deeply subordinated debt classified in shareholders' equity Group share are:

				At 31 December 2019				
		Amount in currency at 31/12/2018	Partial repurchases and redemptions	Amount in currency at 31/12/2019	Amount in euros at inception rate	Interests paid Group share	Issuance costs net of taxes	Shareholders' equity Group share
Issue date	Currency	*(in millions of units)*	*(in millions of units)*	*(in millions of units)*	*(in millions of euros)*	*(in millions of euros)*	*(in millions of euros)*	*(in millions of euros)*
23/01/2014	USD	1,750	-	1,750	1,283	(707)	(8)	568
08/04/2014	GBP	500	-	500	607	(259)	(4)	344
08/04/2014	EUR	1,000	-	1,000	1,000	(371)	(6)	623
18/09/2014	USD	1,250	(1,250)	-	-	-	-	-
19/01/2016	USD	1,250		1,250	1,150	(351)	(8)	791
26/02/2019	USD			1,250	1,098	(44)	(7)	1,047
Crédit Agricole S.A. Issues					**5,138**	**(1,732)**	**(33)**	**3,373**
14/10/2014	EUR				-	(169)	(3)	(172)
13/01/2015	EUR				-	(169)	(3)	(172)
Insurance Issues					**-**	**(338)**	**(6)**	**(344)**
Issues subscribed in-house:								
Group share/ Non controlling interests effect					-	17	-	17
Issues subscribed by Crédit Agricole CIB for currency regulation					(4)	-	-	(4)
TOTAL					**5,134**	**(2,053)**	**(39)**	**3,042**

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

		Amount in currency at 31/12/2018	Partial repurchases and redemptions	Amount in currency at 31/12/2019	Amount in euros at inception rate
Issue date	Currency	*(in millions of units)*	*(in millions of units)*	*(in millions of units)*	*(in millions of euros)*
14/10/2014	EUR	745	-	745	745
13/01/2015	EUR	987	-	1,000	1,000
TOTAL					**1,745**

Changes relating to undated subordinated and deeply subordinated debt affecting shareholders' equity Group share are as follows:

(in millions of euros)	31/12/2019	31/12/2018
Undated deeply subordinated notes		
Interests paid accounted as reserves	(410)	(377)
Changes in nominal amounts	123	-
Income tax savings related to interest paid to security holders recognised in net income	145	131
Issuance costs (net of tax) accounted as reserves	(7)	-
Others	(109)	-
Undated subordinated notes		
Interests paid accounted as reserves	(76)	(76)
Changes in nominal amounts	13	-
Income tax savings related to interest paid to security holders recognised in net income	26	26
Issuance costs (net of tax) accounted as reserves	-	-

6.21 NON-CONTROLLING INTERESTS

Information on significant non-controlling interests

The table below presents information on the consolidated subsidiaries and structured entities with significant non-controlling interests in relation to the total equity of the Group or of the sub-group level or where the total balance sheet of the entities held by the non-controlling interests is significant.

	31/12/2019				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Amundi Group	30%	30%	279	2,093	171
Crédit Agricole Italia Group	15%	15%	55	896	28
Caceis Group	30%	30%	-	1,010	2
AGOS S.p.A.	39%	39%	104	363	106
Crédit Agricole Egypt S.A.E.	40%	40%	43	155	25
Other entities[1]			25	2,045	15
TOTAL	**-**	**-**	**506**	**6,562**	**347**

(1) *Of which €1,726 million related to the issuance of Additional* Tier 1 undated *subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.*

	31/12/2018				
(in millions of euros)	% of voting rights held by non-controlling interests	% of ownership interests held by non-controlling interests	Net income allocated to non-controlling interests during the reporting period	Accumulated non-controlling interests at the end of the reporting period	Dividends paid to non-controlling interests
Amundi Group	30%	30%	265	1,990	151
Crédit Agricole Italia Group	14%	14%	66	833	28
Agos S.p.A.	39%	39%	126	493	87
Crédit Agricole Egypt S.A.E.	40%	40%	38	117	23
Other entities[1]			31	2,038	18
TOTAL	**-**	**-**	**525**	**5,471**	**307**

(1) *Of which €1,726 million related to the issuance of Additional* Tier 1 undated *subordinated bonds realised on 14 October 2014 and 13 January 2015 by Crédit Agricole Assurances, accounted for in equity of non-controlling interests.*

Individual summary financial information on significant non-controlling interests

The table below presents summary information on subsidiaries with significant non-controlling interests for group Crédit Agricole on the basis of the IFRS financial statements.

	31/12/2019			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Amundi Group	24,261	2,636	959	966
Crédit Agricole Italia Group	64,231	1,950	326	401
CACEIS Group	88,015	939	158	205
Agos S.p.A.	18,180	868	267	266
CA Égypte	2,850	216	108	122
TOTAL	**197,538**	**6,609**	**1,818**	**1,960**

	31/12/2018			
(in millions of euros)	Total assets	Revenues	Net income	Net income and other comprehensive income
Amundi Group	20,937	2,510	855	832
Crédit Agricole Italia Group	63,189	1,941	376	262
Agos S.p.A.	16,873	888	323	324
CA Égypte	2,636	183	95	85
TOTAL	**103,635**	**5,523**	**1,649**	**1,502**

6.22 BREAKDOWN OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES BY CONTRACTUAL MATURITY

The breakdown of balance sheet financial assets and liabilities is made according to contractual maturity date.

The maturities of derivative instruments held for trading and for hedging correspond to their date of contractual maturity.

Equities and other variable-income securities are by nature without maturity; they are classified "Indefinite".

	31/12/2019					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	97,135	-	-	-	-	**97,135**
Financial assets at fair value through profit or loss	97,267	23,956	43,177	79,766	160,170	**404,336**
Hedging derivative Instruments	2,839	485	4,735	12,888	-	**20,947**
Financial assets at fair value through other comprehensive income	8,671	16,804	99,058	143,650	4,129	**272,312**
Financial assets at amortised cost	180,330	112,565	390,827	421,694	4,163	**1,109,579**
Revaluation adjustment on interest rate hedged portfolios	11,714					**11,714**
TOTAL FINANCIAL ASSETS BY MATURITY	**397,956**	**153,810**	**537,797**	**657,998**	**168,462**	**1,916,023**
Central banks	2,183	-	-	-	-	**2,183**
Financial liabilities at fair value through profit or loss	100,109	11,475	43,307	90,218	-	**245,109**
Hedging derivative Instruments	1,577	630	5,272	13,019	-	**20,498**
Financial liabilities at amortised cost	880,647	103,581	124,271	59,948	-	**1,168,448**
Subordinated debt	312	1,230	1,986	17,334	799	**21,661**
Revaluation adjustment on interest rate hedged portfolios	10,508					**10,508**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**995,336**	**116,916**	**174,836**	**180,519**	**799**	**1,468,407**

	31/12/2018					
(in millions of euros)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Cash, central banks	70,584	-	-	-	-	**70,584**
Financial assets at fair value through profit or loss	105,279	28,597	37,176	66,664	134,426	**372,142**
Hedging derivative Instruments	1,209	743	6,032	7,845	-	**15,829**
Financial assets at fair value through other comprehensive income	8,939	18,921	94,490	137,490	5,141	**264,981**
Financial assets at amortised cost	171,256	103,518	358,002	396,990	2,690	**1,032,456**
Revaluation adjustment on interest rate hedged portfolios	8,337					**8,337**
TOTAL FINANCIAL ASSETS BY MATURITY	**365,604**	**151,779**	**495,700**	**608,989**	**142,257**	**1,764,329**
Central banks	1,140	-	-	-	-	**1,140**
Financial liabilities at fair value through profit or loss	99,899	13,558	41,975	70,470	-	**225,902**
Hedging derivative Instruments	1,061	608	5,559	8,942	-	**16,170**
Financial liabilities at amortised cost	790,226	101,219	132,529	60,058	-	**1,084,032**
Subordinated debt	294	2,232	2,639	15,470	2,120	**22,755**
Revaluation adjustment on interest rate hedged portfolios	7,879					**7,879**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**900,499**	**117,617**	**182,702**	**154,940**	**2,120**	**1,357,878**

NOTE 7 Employee benefits and other compensation

7.1 ANALYSIS OF EMPLOYEE EXPENSES

(in millions of euros)	31/12/2019	31/12/2018
Salaries(1)	(7,912)	(7,689)
Contributions to defined-contribution plans	(737)	(684)
Contributions to defined-benefit plans	(197)	(130)
Other social security expenses	(2,272)	(2,190)
Profit-sharing and incentive plans	(743)	(714)
Payroll-related tax	(794)	(792)
TOTAL EMPLOYEE EXPENSES	**(12,656)**	**(12,198)**

(1) Regarding deferred variable compensation paid to market professionals, the Crédit Agricole Group booked a charge for share-based payments of €51 million at 31 December 2019 compared to €58 million at 31 December 2018.

7.2 AVERAGE HEADCOUNT

Average number of employees	31/12/2019	31/12/2018
France	104,605	103,898
International	38,070	36,985
TOTAL	**142,675**	**140,882**

7.3 POST-EMPLOYMENT BENEFITS, DEFINED-CONTRIBUTION PLANS

"Employers" contribute to a variety of compulsory pension schemes. Plan assets are managed by independent organisations and the contributing companies have no legal or implied obligation to pay additional contributions if the funds do not have sufficient assets to cover all benefits corresponding to services rendered by employees during the year and during prior years. Consequently, the group Crédit Agricole companies have no liability in this respect other than the contributions payable.

Within the Group, there are several compulsory defined-contribution plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans in place notably within UES Crédit Agricole S.A.

Analysis of supplementary pension plans in France

Business Line	Entity	Compulsory supplementary pension plans	Number of employees covered Estimate at 31/12/2019	Number of employees covered Estimate at 31/12/2018
Central Support functions	UES Crédit Agricole S.A.	Agriculture industry plan 1.24%	1,745	2,343
Central Support functions	UES Crédit Agricole S.A.	"Article 83" Group Executive managers plan	192	204
French retail banking	LCL	"Article 83" Group Executive managers plan	303	314
Large customers	Crédit Agricole CIB	"Article 83" type plan	4,925	5,010
Asset gathering and Insurance	CAAS/Pacifica/SIRCA/LA MDF	Agriculture industry plan 1.24%	4,189	4,107
Asset gathering and Insurance	CAAS/Pacifica/CACI/LA MDF	"Article 83" Group Executive managers plan	65	63
Asset gathering and Insurance	CACI/CA Indosuez Wealth (France)/ CA Indosuez Wealth (Group)/Amundi	"Article 83" type plan	3,456	3,188

7.4 POST-EMPLOYMENT BENEFITS, DEFINED-BENEFIT PLANS

Change in actuarial liability

			31/12/2019	31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Actuarial liability at 31/12/N-1	**2,954**	**1,529**	**4,483**	**4,441**
Translation adjustments	-	68	**68**	**31**
Cost of service rended during the period	153	39	**192**	**189**
Financial cost	39	31	**70**	**64**
Employee contributions	1	17	**18**	**18**
Benefit plan changes, withdrawals and settlement	(204)	2	**(202)**	**(6)**
Changes in scope	37	-	**37**	**-**
Benefits paid (mandatory)	(106)	(70)	**(176)**	**(188)**
Taxes, administrative costs and bonuses	-	-	**-**	**-**
Actuarial gains/(losses) arising from changes in demographic assumptions[1]	(27)	(29)	**(56)**	**(5)**
Actuarial gains/(losses) arising from changes in financial assumptions[1]	183	186	**369**	**(61)**
ACTUARIAL LIABILITY AT 31/12/N	**3,030**	**1,773**	**4,803**	**4,483**

(1) Of which actuarial gains/losses related to experience adjustment.

Breakdown of net charge recognised in the income statement

			31/12/2019	31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Service cost	51	(41)	**10**	**(184)**
Income/expenses on net interests	(13)	(3)	**(16)**	**(13)**
IMPACT ON PROFIT OR LOSS AT 31/12/N	**38**	**(44)**	**(6)**	**(196)**

Breakdown of income recognised in OCI that will not be reclassified to profit and loss

			31/12/2019	31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Revaluation from net liabilities (from net assets)				
Total amount of actuarial gains or losses recognised in other comprehensive income that will not be reclassified to profit and loss at 31/12/N-1	**705**	**258**	**963**	**1,020**
Translation adjustments	-	7	**7**	**7**
Actuarial gains/(losses) on assets	(23)	(89)	**(112)**	**5**
Actuarial gains/(losses) arising from changes in demographic assumptions[1]	(27)	(29)	**(56)**	**(5)**
Actuarial gains/(losses) arising from changes in financial assumptions[1]	183	186	**369**	**(61)**
Adjustment of assets restriction's impact	-	-	**-**	**5**
IMPACT IN OTHER COMPREHENSIVE INCOME AT 31/12/N	**133**	**74**	**207**	**(53)**

(1) Of which actuarial gains/losses related to experience adjustment.

Change in fair value of assets

	31/12/2019			31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of assets at 31/12/N-1	1,670	1,350	3,020	2,881
Translation adjustments	-	61	61	22
Interests on asset (income)	23	29	52	49
Actuarial gains/(losses)	22	89	111	(5)
Employer contributions	122	35	157	173
Employee contributions	1	17	18	17
Benefit plan changes, withdrawals and settlement	-	-	-	-
Changes in scope	16	-	16	(1)
Taxes, administrative costs and bonuses	-	(1)	(1)	-
Benefits paid out under the benefit plan	(55)	(68)	(123)	(116)
FAIR VALUE OF ASSETS AT 31/12/N	**1,799**	**1,512**	**3,311**	**3,020**

Change in fair value of reimbursement rights

	31/12/2019			31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Fair value of reimbursement rights at 31/12/N-1	337	-	337	341
Translation adjustments	-	-	-	-
Interests on reimbursement rights (income)	4	-	4	3
Actuarial gains/(losses)	1	-	1	-
Employer contributions	-	-	-	8
Employee contributions	-	-	-	-
Benefit plan changes, withdrawals and settlement	-	-	-	-
Changes in scope	5	-	5	3
Taxes, administrative costs and bonuses	-	-	-	-
Benefits paid out under the benefit plan	(9)	-	(9)	(18)
FAIR VALUE OF REIMBURSEMENT RIGHTS AT 31/12/N	**338**	**-**	**338**	**337**

Net position

	31/12/2019			31/12/2018
(in millions of euros)	Eurozone	Outside Eurozone	All Zones	All Zones
Closing actuarial liability	(3,030)	(1,773)	(4,803)	(4,483)
Impact of asset restriction	-	(9)	(9)	(6)
Fair value of assets at end of period	1,799	1,512	3,311	3,020
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**(1,231)**	**(270)**	**(1,495)**	**(1,469)**

Defined-benefit plans: main actuarial assumptions

	31/12/2019		31/12/2018	
(in millions of euros)	Eurozone	Outside Eurozone	Eurozone	Outide Eurozone
Discount rate(1)	0.84%	1.27%	1.26%	1.97%
Actual return on plan assets and on reimbursement rights	3.83%	8.56%	0.33%	1.66%
Expected salary increase rates(2)	1.36%	1.80%	1.37%	1.88%
Rate of change in medical costs	0.00%	0.00%	4.59%	10.00%

(1) Discount rates are determined as a function of the average duration of the commitment, that is, the arithmetic mean of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover. The underlying used is the discount rate by reference to the iBoxx AA.

(2) Depending on the employees concerned (managers or non-managers).

Information of plan assets: allocation of assets[1]

(in millions of euros)	Eurozone			Outside Eurozone			All Zones		
	%	Amount	of which listed	%	Amount	of which listed	%	Amount	of which listed
Equities	9.4%	201	68	23.9%	362	362	15.4%	562	429
Bonds	65.2%	1,390	372	49.6%	750	750	58.7%	2,140	1,121
Property/Real estate	5%	106		11.7%	177		7.8%	283	
Others	20.5%	437		14.9%	225		18.2%	662	

(1) Of which fair value of reimbursement rights.

At 2019, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 5.99%;
- a 50 basis point decrease in discount rates would increase the commitment by 6.62%.

Crédit Agricole's policy on covering employee benefit obligations reflects local rules on funding post-employment benefits in countries with minimum funding requirements. Overall, commitments arising from the Group's post-employment obligations were 76% covered at 31 December 2019 (including reimbursement rights).

7.5 OTHER EMPLOYEE BENEFITS

In France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements in place.

The provisions funded by Crédit Agricole Group for these other employee benefit obligations amounted to €480 million at 31 December 2019.

7.6 SHARE-BASED PAYMENTS

7.6.1 Stock option plan

No new plan was implemented in 2019.

7.6.2 Deferred variable compensation settled either in shares or in cash indexed to the share price

The deferred variable compensation plans implemented by the Group take two forms:

- equity-settled plans;
- cash-settled plans indexed to the Crédit Agricole S.A. share price.

Since 1 January 2016, all existing and future deferred variable compensation plans are now cash-settled plans indexed to the Crédit Agricole S.A. share price. The impact of the revaluation of the commitment on the basis of the Crédit Agricole S.A. share price, which is not material, was recognised in equity.

This deferred variable compensation is subject to continued employment and a performance condition. It is broken down into thirds that are payable in March 2020, March 2021 and March 2022.

The expense related to these plans is recognised in compensation expenses on a straight-line basis over the vesting period to factor in continued employment, and a liability is recorded in employee expenses, the amount of which is subject to periodical revaluation through profit or loss until the settlement date, depending on the evolution of the share price of Crédit Agricole S.A. and on vesting conditions (continued employment and performance).

NOTE 8 Leases

8.1 LEASES UNDER WHICH THE GROUP IS A LESSEE

The item "Property, plant and equipment" in the balance sheet consists of own and leased assets that do not meet the definition of investment properties.

(in millions of euros)	31/12/2019
Owned property, plant & equipment	8,255
Right-of-use on lease contracts	1,898
TOTAL PROPERTY, PLANT & EQUIPMENT USED IN OPERATIONS	**10,153**

Crédit Agricole S.A. is also a lessee under lease agreements for IT equipment (photocopiers, computers, etc.) with terms of one to three years. These are low-value and/or short-term leases. Crédit Agricole Group has opted to apply the exemptions provided for in IFRS 16 and not to recognise the right-of-use asset and the lease liability for these leases in the balance sheet.

Change in right of use assets

Crédit Agricole Group is the taker of many assets including offices, agencies and computer equipment.

Information relating to the contracts of which Crédit Agricole Group is a taker is presented below:

(in millions of euros)	31/12/2018	01/01/2019	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31/12/2019
PROPERTY/REAL ESTATE								
Gross amount	66	2,003	18	351	(99)	11	24	2,308
Depreciation and impairment	(24)	(84)	(2)	(379)	7	(1)	(38)	(497)
Total Property/Real estate	**42**	**1,919**	**16**	**(28)**	**(92)**	**10**	**(14)**	**1,811**
EQUIPMENT								
Gross amount	4	62	-	33	(4)	-	71	162
Depreciation and impairment	(2)	(2)	-	(44)	1	-	(30)	(75)
Total Equipment	**2**	**60**	**-**	**(11)**	**(3)**	**-**	**41**	**87**
TOTAL RIGHT-OF-USE	**44**	**1,979**	**16**	**(39)**	**(95)**	**10**	**27**	**1,898**

Maturity schedule of rental debts

	31/12/2019			
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities
Lease liabilities	438	912	480	1,830

Details of rental contract income and expenses

(in millions of euros)	31/12/2019
Interest expense on lease liabilities	(31)
Total Interest and similar expenses (Revenues)	**(31)**
Expense relating to short-term leases	(130)
Expense relating to leases of low-value assets	(55)
Expense relating to variable lease payments not included in the measurement of lease liabilities	(11)
Income from subleasing right-of-use assets	1
Gains or losses arising from leaseback transactions	-
Gains or losses arising from lease modifications	-
Total Operating expenses	**(195)**
Depreciation for right-of-use	(420)
Total Depreciation and amortisation of property, plant & equipment	**(420)**
TOTAL EXPENSE AND INCOME ON LEASE CONTRACTS	**(646)**

Cash flow amounts for the period

(in millions of euros)	31/12/2019
Total Cash outflow for leases	**(524)**

8.2 LEASES FOR WHICH THE GROUP IS THE LESSOR

Crédit Agricole S.A. offers its customers leasing activities that take the form of leasing agreements, lease financing with purchase options, finance leasing and long-term leasing arrangements. Lease agreements are classified as finance leases when the terms of the lease transfer substantially all of the risks and benefits inherent in ownership to the lessee.

Other lease agreements are classified as operating leases.

Income from rental contracts

(in millions of euros)	31/12/2019
Finance leases	**763**
Selling profit or loss	17
Finance income on the net investment in the lease	746
Income relating to variable lease payments	-
Operating leases	**338**
Lease income	338

Schedule of rent payments to be received

	31/12/2019						
(in millions of euros)	≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total Lease liabilities	Unearned finance income	Discounted residual value	Finance lease receivables
Finance leases	**5,701**	**8,136**	**2,945**	**16,782**	**1,723**	**1,662**	**16,720**

Lease agreements expire on their residual maturity date.

The amount by expiry corresponds to the undiscounted contractual amount.

NOTE 9 Commitments given and received and other guarantees

Financing and guarantee commitments and other guarantees include discontinued operations.

Commitments given and received

(in millions of euros)	31/12/2019	31/12/2018
COMMITMENTS GIVEN		
Financing commitments	**209,187**	**219,861**
Commitments given to credit institutions	11,979	24,524
Commitments given to customers	197,208	195,337
Confirmed credit lines	142,239	136,655
Documentary credits	4,527	5,645
Other confirmed credit lines	137,713	131,010
Other commitments given to customers	54,969	58,682
Guarantee commitments	**91,002**	**88,271**
Credit institutions	8,488	8,650
Confirmed documentary credit lines	3,400	4,368
Others	5,089	4,282
Customers	82,513	79,621
Property guarantees	5,264	5,431
Other customer guarantees	77,249	74,190
Securities commitments	**4,765**	**7,045**
Securities to be delivered	4,765	7,045
COMMITMENTS RECEIVED		
Financing commitments	**83,987**	**94,582**
Commitments received from credit institutions	81,041	85,958
Commitments received from customers	2,946	8,624
Guarantee commitments	**373,659**	**337,185**
Commitments received from credit institutions	104,946	96,996
Commitments received from customers	268,711	240,189
Guarantees received from government bodies or similar institutions	47,618	45,140
Other guarantees received	221,093	195,049
Securities commitments	**4,570**	**10,369**
Securities to be received	4,570	10,369

Financial instruments given and received as collateral

(in millions of euros)	31/12/2019	31/12/2018
CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL (INCLUDING TRANSFERRED ASSETS)		
Securities and receivables provided as collateral for the refinancing structures (Banque de France, CRH, etc.)	189,452	184,651
Securities lent	8,797	11,569
Security deposits on market transactions	18,229	16,261
Other security deposits	-	-
Securities sold under repurchase agreements	103,774	98,805
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**320,253**	**311,286**
CARRYING AMOUNT OF FINANCIAL ASSETS RECEIVED IN GUARANTEE		
Other security deposits	-	-
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	4	3
Securities bought under repurchase agreements	133,967	132,659
Securities sold short	33,468	29,368
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**167,439**	**162,030**

Receivables pledged as collateral

At 31 December 2019, Crédit Agricole S.A. deposited €81.9 billion of receivables (mainly on behalf of the Regional Banks) for refinancing transactions to the Banque de France, compared to €83.9 billion at 31 December 2018, and €16.9 billion of receivables were deposited directly by others subsidiaries.

At 31 December 2019, Crédit Agricole S.A. deposited €12.3 billion of receivables for refinancing transactions to the *Caisse de Refinancement de l'Habitat* on behalf of the Regional Banks, compared to €12.9 billion at 31 December 2018, and €1.2 billion of receivables were deposited directly by LCL.

On 31 December2019, €4.1 billion receivables of the Regional Banks had been pledged as collateral for the covered bonds issued by European Secured Notes Issuer (ESNI), a French securitisation company formed by five banks including Crédit Agricole Group, and €0.7 billion of Crédit Agricole CIB's receivables were fully transferred as collateral.

As of 31 December 2019, within the framework of the secured issues of Crédit Agricole Home Loan SFH, a financial company 100% controlled by Crédit Agricole S.A., €38 billion in receivables from the Regional Banks and €8.9 billion from LCL were been pledged as collateral.

As at 31 December2019, in the context of transactions with EIB/CEB supranationals, Crédit Agricole S.A. deposited €2.9 billion in receivables on behalf of the Regional Banks.

As at 31 December2019, in the context of refinancing transactions with CDC, Crédit Agricole S.A. deposited €2.6 billion in receivables on behalf of the Regional Banks.

These processes, for which there is no transfer of contractual cash flows, do not form part of the asset transfers.

Guarantees held

Guarantees held and assets received as collateral by Crédit Agricole S.A. Group which it is allowed to sell or to use as collateral are mostly held within Crédit Agricole S.A. for €105.9 billion and within Crédit Agricole CIB for €155 billion. The majority of these are receivables pledged as collateral by the Regional Banks to Crédit Agricole S.A., the latter acting as the central body with regard to the external refinancing organisations, in order to obtain refinancing. These receivables (property-related, or loans to businesses or local authorities) are selected and rated for their quality and retained on the balance sheet of the Regional Banks.

The majority of these guarantees consist of mortgage liens, collateral or guarantees received, regardless of the quality of the assets guaranteed. They are mainly related to repurchase agreements and securities pledged to guarantee brokerage transactions.

Crédit Agricole Group policy is to sell seized collateral as soon as possible. Crédit Agricole CIB and Crédit Agricole S.A. had no such assets at 31 December 2019.

NOTE 10 Reclassifications of financial instruments

Principles applied by Crédit Agricole Group

Reclassifications are performed only under exceptional circumstances and following a decision by the Executive Management of the entity as a result of internal or external changes: significant changes in the entity's activity.

Reclassifications performed by Crédit Agricole Group

Reclassification of financial assets in 2019

In 2019, Crédit Agricole Group did not carry out any reclassification pursuant to paragraph 4.4.1 of IFRS 9.

NOTE 11 Fair value of financial instruments

Fair value is the price that would be received at the sale of an asset or paid to transfer a liability in a standard transaction between market participants at the measurement date.

Fair value is defined on the basis of the exit price.

The fair values shown below are estimates made on the reporting date using observable market data wherever possible. These are subject to change in subsequent periods due to developments in market conditions or other factors.

The calculations represent best estimates. They are based on a number of assumptions. It is assumed that market participants act in their best economic interest.

To the extent that these models contain uncertainties, the fair values shown may not be achieved upon actual sale or immediate settlement of the financial instruments concerned.

The fair value hierarchy of financial assets and liabilities is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13.

Level 1 of the hierarchy applies to the fair value of financial assets and liabilities quoted in active markets.

Level 2 of the hierarchy applies to the fair value of financial assets and liabilities with observable inputs. This agreement includes market data relating to interest rate risk or credit risk when the latter can be revalued based on Credit Default Swap (CDS) spreads. Securities bought or sold under repurchase agreements with underlyings quoted in an active market are also included in Level 2 of the hierarchy, as are financial assets and liabilities with a demand component for which fair value is measured at unadjusted amortised cost.

Level 3 of the hierarchy is used for financial instruments at fair value for which the valuation draws upon, exclusively or for a significant part, unobservable market parameters. Parameters for which no market information is available, or for which the available market information is considered insufficient, are regarded as unobservable. This qualification may call upon expert opinion. The information examined may include transactions actually concluded, firm or indicative quotations and information resulting from market consensus.

In some cases, market values are close to carrying amounts. This concerns the following reserves in particular:

- assets or liabilities at variable rates for which interest rate changes do not have a significant influence on the fair value, since the rates on these instruments frequently adjust themselves to the market rates;
- short-term assets or liabilities where the redemption value is considered to be close to the market value;
- instruments executed on a regulated market for which the prices are set by the public authorities;
- demand assets and liabilities.

11.1 FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES RECOGNISED AT AMORTISED COST

Amounts presented below include accruals and prepayments and are net of impairment.

Financial assets recognised at cost and measured at fair value on the balance sheet

(in millions of euros)	Value at 31/12/2019	Estimated fair value at 31/12/2019	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE ON BALANCE SHEET					
Total financial assets	**1,014,445**	**1,044,734**	**-**	**355,060**	**689,675**
Loans and receivables due from credit institutions	**100,949**	**105,834**	**-**	**104,955**	**879**
Current accounts and overnight loans	29,166	29,192	-	29,158	34
Accounts and long-term loans	65,592	70,410	-	69,794	616
Pledged securities	1	1	-	-	1
Securities bought under repurchase agreements	5,538	5,550	-	5,550	-
Subordinated loans	621	630	-	402	228
Other loans and receivables	31	51	-	51	-
Loans and receivables due from customers	**913,496**	**938,900**	**-**	**250,104**	**688,795**
Trade receivables	44,814	44,108	-	21,025	23,083
Other customer loans	846,565	871,568	-	209,193	662,375
Pledged securities	232	232	-	232	-
Securities bought under repurchase agreements	4,071	4,073	-	4,073	-
Subordinated loans	119	119	-	63	56
Insurance receivables	309	309	-	92	217
Reinsurance receivables	770	770	-	1	769
Advances in associates' current accounts	940	1,000	-	567	433
Current accounts in debit	15,676	16,721	-	14,858	1,864
Debt securities	**95,134**	**96,391**	**71,413**	**7,572**	**17,406**
Treasury bills and similar securities	33,346	34,080	32,250	1,589	241
Bonds and other fixed income securities	61,788	62,311	39,163	5,984	17,164
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**1,109,579**	**1,141,125**	**71,413**	**362,632**	**707,080**

(in millions of euros)	Value at 31/12/2018	Estimated fair value at 31/12/2018	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
FINANCIAL ASSETS NOT MEASURED AT FAIR VALUE ON BALANCE SHEET					
Total financial assets	**951,875**	**976,407**	**-**	**329,875**	**646,532**
Loans and receivables due from credit institutions	**97,194**	**100,528**	**-**	**99,810**	**718**
Current accounts and overnight loans	31,741	32,408	-	32,382	26
Accounts and long-term loans	59,221	61,827	-	61,321	506
Pledged securities	1	1	-	-	1
Securities bought under repurchase agreements	5,617	5,650	-	5,650	-
Subordinated loans	614	620	-	435	185
Other loans and receivables	-	22	-	22	-
Loans and receivables due from customers	**854,681**	**875,879**	**-**	**230,065**	**645,814**
Trade receivables	48,049	47,350	-	20,291	27,059
Other customer loans	786,930	807,454	-	194,440	613,014
Pledged securities	131	131	-	131	-
Securities bought under repurchase agreements	2,976	2,976	-	2,976	-
Subordinated loans	113	114	-	11	103
Insurance receivables	642	642	-	88	554
Reinsurance receivables	634	634	-	53	581
Advances in associates' current accounts	930	974	-	512	462
Current accounts in debit	14,276	15,604	-	11,563	4,041
Debt securities	**80,581**	**81,903**	**64,106**	**13,672**	**4,125**
Treasury bills and similar securities	33,389	33,946	31,025	2,871	50
Bonds and other fixed income securities	47,192	47,957	33,081	10,801	4,075
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**1,032,456**	**1,058,310**	**64,106**	**343,547**	**650,657**

Financial liabilities recognised at amortised cost and measured at fair value on the balance sheet

(in millions of euros)	Value at 31/12/2019	Estimated fair value at 31/12/2019	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE ON BALANCE SHEET					
Due to credit institutions	**99,575**	**108,265**	**-**	**108,216**	**49**
Current accounts and overnight loans	10,293	10,292	-	10,292	-
Accounts and term deposits	61,583	70,243	-	70,194	49
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	27,699	27,730	-	27,730	-
Due to customers	**855,507**	**855,649**	**-**	**544,955**	**310,694**
Current accounts in credit	391,428	391,502	-	391,466	35
Special savings accounts	307,589	307,589	-	386	307,203
Other amounts due to customers	152,294	152,362	-	151,397	966
Securities sold under repurchase agreements	1,593	1,593	-	1,593	-
Insurance liabilities	981	981	-	102	879
Reinsurance liabilities	467	467	-	11	456
Cash deposits received from ceding and retroceding companies against technical insurance commitments	1,155	1,155	-	-	1,155
Debt securities	**213,366**	**216,518**	**72,771**	**143,044**	**703**
Subordinated debt	**21,661**	**21,984**	**5,837**	**16,069**	**77**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**1,190,109**	**1,202,416**	**78,608**	**812,284**	**311,523**

(in millions of euros)	Value at 31/12/2018	Estimated fair value at 31/12/2018	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
FINANCIAL LIABILITIES NOT MEASURED AT FAIR VALUE ON BALANCE SHEET					
Due to credit institutions	**95,970**	**109,052**	**-**	**109,052**	**-**
Current accounts and overnight loans	12,253	12,308	-	12,308	-
Accounts and term deposits	61,162	74,198	-	74,198	-
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	22,555	22,546	-	22,546	-
Due to customers	**789,836**	**790,519**	**-**	**494,481**	**296,038**
Current accounts in credit	350,526	350,872	-	350,872	-
Special savings accounts	292,923	292,923	-	-	292,923
Other amounts due to customers	142,795	143,133	-	142,541	592
Securities sold under repurchase agreements	900	900	-	900	-
Insurance liabilities	1,306	1,306	-	105	1,201
Reinsurance liabilities	334	333	-	63	270
Cash deposits received from ceding and retroceding companies against technical insurance commitments	1,052	1,052	-	-	1,052
Debt securities	**198,227**	**200,371**	**67,997**	**132,191**	**183**
Subordinated debt	**22,755**	**22,876**	**7,389**	**15,487**	**-**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**1,106,788**	**1,122,818**	**75,386**	**751,211**	**296,221**

11.2 INFORMATION ABOUT FINANCIAL INSTRUMENTS MEASURED AT FAIR VALUE

Financial instruments are valued by management information systems and checked by a team that reports to the Risk Management department and is independent from the market operators.

Valuations are based on the following:

- prices or inputs obtained from independent sources and/or validated by the Market Risk department using a series of available sources such as pricing service vendors, market consensus data and brokers;
- models approved by the quantitative teams in the Market Risk department.

The valuation produced for each instrument is a mid-market valuation, which does not take account of the direction of the trade, the bank's aggregate exposure, market liquidity or counterparty quality. Adjustments are then made to the market valuations to incorporate those factors, as well as the potential uncertainties inherent in the models or inputs used.

The main types of valuation adjustments are the following:

Mark-to-Market adjustments

These adjustments correct any potential variance between the mid-market valuation of an instrument obtained using internal valuation models and the associated inputs and the valuation obtained from external sources or market consensus data. These adjustments can be positive or negative.

Bid/ask reserves

These adjustments incorporate the bid/ask spread for a given instrument in order to reflect the price at which the position could be reversed. These adjustments are always negative.

Uncertainty reserves

These adjustments constitute a risk premium taken into account by all market participants. These adjustments are always negative:

- input uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist as regards one or more of the inputs used;
- model uncertainty reserves seek to incorporate in the valuation of an instrument any uncertainty that might exist due to the choice of model used.

In addition, in accordance with IFRS 13 "Fair value measurement", Crédit Agricole Group prices in to the fair value calculated for its OTC derivatives (*i.e.* those traded over the counter) various adjustments linked to:

- default risk or credit rating (Credit Valuation Adjustment/Debit Valuation Adjustment);
- future funding costs and benefits (Funding Valuation Adjustment);
- liquidity risk associated with collateral (Liquidity Valuation Adjustment).

Credit Valuation Adjustment (CVA)

The CVA (Credit Valuation Adjustment) is a mark-to-market adjustment to incorporate the market value of the default risk (risk of non-payment of amounts due in the event of default or deterioration in credit quality) in the value of OTC derivatives of our counterparties. This adjustment is calculated per counterparty based on the positive future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist) weighted by the probabilities of default and losses given default. The methodology used maximises the use of observable market inputs (use of Crédit Agricole CDS to determine default probabilities). This adjustment is always negative and reduces the fair value of the OTC derivative assets held in the portfolio.

Debit Valuation Adjustment (DVA)

The Debit Valuation Adjustment (DVA) is a mark-to-market adjustment that aims to incorporate the market value of the default risk (potential losses to which Crédit Agricole may expose its counterparties in the event of default or a deterioration in its creditworthiness) in the value of perfectly collateralised OTC derivatives. This adjustment is calculated by collateral contract type on the basis of negative future exposure profiles of the trading portfolio weighted by default probabilities (Crédit Agricole) and losses incurred in the event of default. The calculation is intended to take into account the Margin Period of Risk (MPR, the time period between the occurrence Crédit Agricole's default and the effective liquidation of all positions). The methodology used maximises the use of observable market inputs (use of Crédit Agricole CDS to determine default probabilities). This adjustment is always positive and reduces the fair value of the OTC derivative liabilities held in the portfolio.

Funding Valuation Adjustment (FVA)

The Funding Valuation Adjustment (FVA) is a mark-to-market adjustment that aims to incorporate the additional future funding costs and benefits based on ALM (Asset & Liability Management) funding costs in the value of not collateralised or imperfectly collateralised OTC derivatives. This adjustment is calculated per counterparty based on the positive future exposure of the trading portfolio (taking into account any netting or collateral agreements, where such exist).

As regards the scope of "clear" derivatives, an FVA adjustment called IMVA (Initial Margin Value Adjustment) is calculated to take into account the future financing costs and gains of the initial margins to be posted with the main derivatives clearing houses until the portfolio matures.

Liquidity Valuation Adjustment (LVA)

The LVA (Liquidity Valuation Adjustment) is the positive or negative valuation adjustment intended to reflect both the potential absence of collateral payments for counterparties with a CSA (Credit Support Annex), as well as the non-standard remuneration of CSAs.

Therefore, the LVA reflects the profit or loss resulting from additional liquidity costs. It is calculated on the scope of OTC derivatives with CSAs.

Breakdown of financial instruments at fair value by valuation model

Amounts presented below include accruals and prepayments and are net of impairment.

The transfer from Level 3 to Level 2 liabilities is the result of a review of the observability mapping of derivatives and liabilities at fair value. The impact on the assets side is -€0.3 billion and on the liabilities side -€1.8 billion.

The remainder of the transfers to and from Level 3 on the assets and liabilities sides of the balance sheet represent a more accurate identification of the fair value level of transactions as at 31 December 2018 of the following balance sheet instruments: securities delivered or received under repurchase agreements, over-the-counter derivatives, treasury bills and issues at fair value. This amount amounts to assets of +€0.1 billion and liabilities to -€2.1 billion.

Financial assets measured at fair value

(in millions of euros)	31/12/2019	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial assets	**227,698**	**23,644**	**198,620**	**5,434**
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	61	-	61	-
Loans and receivables due from customers	894	-	-	894
Securities bought under repurchase agreements	101,867	-	99,948	1,919
Pledged securities	-	-	-	-
Held for trading securities	25,280	22,760	1,740	780
Treasury bills and similar securities	13,665	12,494	1,170	1
Bonds and other fixed income securities	4,606	3,877	568	161
Mutual funds	108	84	-	24
Equities and other variable income securities	6,901	6,305	2	594
Derivative instruments	99,596	884	96,871	1,841
Other financial instruments at fair value through profit or loss	**176,638**	**115,053**	**52,252**	**9,333**
Equity instruments at fair value through profit or loss	**37,131**	**25,097**	**7,663**	**4,371**
Equities and other variable income securities	25,170	21,743	2,426	1,001
Non-consolidated equity investments	11,961	3,354	5,237	3,370
Debt instruments that do not meet the conditions of the "SPPI" test	**79,894**	**47,580**	**27,548**	**4,766**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	4,267	-	3,900	367
Debt securities	75,627	47,580	23,648	4,399
Treasury bills and similar securities	252	111	139	2
Bonds and other fixed income securities	12,774	2,134	10,048	592
Mutual funds	62,601	45,335	13,461	3,805
Assets backing unit-linked contracts	**59,520**	**42,352**	**16,972**	**196**
Treasury bills and similar securities	457	444	13	-
Bonds and other fixed income securities	4,204	1,218	2,986	-
Equities and other variable income securities	6,822	1,287	5,351	184
Mutual funds	48,037	39,403	8,622	12
Financial assets designated at fair value through profit or loss	**93**	**24**	**69**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	93	24	69	-
Treasury bills and similar securities	18	18	-	-
Bonds and other fixed income securities	75	6	69	-
Financial assets at fair value through other comprehensive income	**272,312**	**247,344**	**24,668**	**301**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,013	997	2,736	281
Equities and other variable income securities	997	460	502	35
Non-consolidated equity investments	3,016	537	2,234	245
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	268,299	246,347	21,932	20
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	268,299	246,347	21,932	20
Treasury bills and similar securities	84,250	83,549	701	-
Bonds and other fixed income securities	184,049	162,798	21,231	20
Hedging derivative Instruments	**20,947**	**35**	**20,912**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**697,595**	**386,076**	**296,452**	**15,068**
Transfers from Level 1: Quoted prices in active markets for identical instruments			4,420	106
Transfers from Level 2: Valuation based on observable data		474		2,142
Transfers from Level 3: Valuation based on unobservable data		72	1,805	
TOTAL TRANSFERS TO EACH LEVEL		**546**	**6,225**	**2,248**

The transfers from Level 1 to Level 2 concern the reclassification of derivatives instruments from organized markets to over the counter.

Level 1 to Level 3 transfers involve bonds and other fixed-income securities.

Level 2 to Level 1 transfers mainly involve treasury bills, bonds and other fixed-income securities.

Level 2 to Level 3 transfers mainly involve securities received under repurchase agreements from credit institutions and interest rate swaps.

Level 3 to Level 1 transfers mainly involve treasury bills.

Level 3 to Level 2 transfers mainly involve securities received under repurchase agreements from clients and trading derivatives including -€0,3 billion related to the review of the derivatives observability analysis.

(in millions of euros)	31/12/2018	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial assets	**223,229**	**24,635**	**194,308**	**4,286**
Loans and receivables due from credit institutions	191	-	191	-
Loans and receivables due from customers	1,374	-	-	1,374
Securities bought under repurchase agreements	106,496	-	105,529	967
Pledged securities	-	-	-	-
Held for trading securities	22,071	19,393	2,154	524
Treasury bills and similar securities	14,219	12,134	1,640	445
Bonds and other fixed income securities	5,042	4,482	506	54
Mutual funds	33	3	5	25
Equities and other variable income securities	2,777	2,774	3	-
Derivative instruments	93,097	5,242	86,434	1,421
Other financial instruments at fair value through profit or loss	**148,913**	**98,812**	**42,883**	**7,218**
Equity instruments at fair value through profit or loss	**29,259**	**19,167**	**7,090**	**3,002**
Equities and other variable income securities	19,823	16,835	1,980	1,008
Non-consolidated equity investments	9,436	2,332	5,110	1,994
Debt instruments that do not meet the conditions of the "SPPI" test	**68,197**	**42,399**	**21,586**	**4,212**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	3,059	-	2,939	120
Debt securities	65,138	42,399	18,647	4,092
Treasury bills and similar securities	156	73	83	-
Bonds and other fixed income securities	10,977	1,894	8,329	754
Mutual funds	54,005	40,432	10,235	3,338
Assets backing unit-linked contracts	**51,385**	**37,221**	**14,160**	**4**
Treasury bills and similar securities	988	975	13	-
Bonds and other fixed income securities	3,956	1,150	2,806	-
Equities and other variable income securities	5,161	1,167	3,994	-
Mutual funds	41,280	33,929	7,347	4
Financial assets designated at fair value through profit or loss	**72**	**25**	**47**	**-**
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	72	25	47	-
Treasury bills and similar securities	12	12	-	-
Bonds and other fixed income securities	60	13	47	-
Financial assets at fair value through other comprehensive income	**264,981**	**239,383**	**24,932**	**666**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,730	1,606	2,530	594
Equities and other variable income securities	438	18	386	34
Non-consolidated equity investments	4,292	1,588	2,144	560
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	260,251	237,777	22,402	72
Loans and receivables due from credit institutions	-	-	-	-
Loans and receivables due from customers	1	-	1	-
Debt securities	260,250	237,777	22,401	72
Treasury bills and similar securities	77,612	76,767	773	72
Bonds and other fixed income securities	182,638	161,010	21,628	-
Hedging derivative Instruments	**15,829**	**7**	**15,822**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**652,952**	**362,837**	**277,945**	**12,170**
Transfers from Level 1: Quoted prices in active markets for identical instruments			-	75
Transfers from Level 2: Valuation based on observable data		291		769
Transfers from Level 3: Valuation based on unobservable data		8	101	
TOTAL TRANSFERS TO EACH LEVEL		**299**	**101**	**844**

Transfers in assets to and outside Level 3 are based on better identification of the level of fair value of transactions presented on 31 December 2018 of the following balance sheet instruments: securities received under repurchase agreements, over-the-counter derivatives and treasury bills. This amount stands at +€0.1 billion.

Financial liabilities measured at fair value

(in millions of euros)	31/12/2019	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial liabilities	**205,061**	**34,020**	**169,522**	**1,519**
Securities sold short	33,472	33,259	213	-
Securities sold under repurchase agreements	74,423	-	73,553	870
Debt securities	54	-	54	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	97,112	761	95,702	649
Financial liabilities designated at fair value through profit or loss	**40,049**	**8,763**	**23,770**	**7,515**
Hedging derivative Instruments	**20,498**	**-**	**20,185**	**313**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**265,608**	**42,783**	**213,477**	**9,347**
Transfers from Level 1: Quoted prices in active markets for identical instruments			4,023	-
Transfers from Level 2: Valuation based on observable data		35		605
Transfers from Level 3: Valuation based on unobservable data		241	4,665	
TOTAL TRANSFERS TO EACH LEVEL		**276**	**8,689**	**605**

The transfers from Level 1 to Level 2 concern the reclassification of derivatives instruments from organized markets to over the counter.

Level 2 to Level 1 transfers concern short sales.

Level 2 to Level 3 transfers mainly involve securities delivered under repurchase agreements to credit institutions. Level 3 to Level 1 transfers mainly involve short sales of treasury bills.

Level 3 to Level 2 transfers mainly involve securities delivered under repurchase agreements to clients, negotiable debt securities accounted at fair value through profit or loss and trading derivatives. The review of the observability analysis of the derivatives and the Financial liabilities measured at fair value by option amounts to -€2.1 billion.

(in millions of euros)	31/12/2018	Quoted prices in active markets for identical instruments: Level 1	Valuation based on observable data: Level 2	Valuation based on unobservable data: Level 3
Held for trading financial liabilities	**191,684**	**29,803**	**157,638**	**4,243**
Securities sold short	25,433	24,810	403	220
Securities sold under repurchase agreements	75,323	-	72,999	2,324
Debt securities	-	-	-	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	90,928	4,993	84,236	1,699
Financial liabilities designated at fair value through profit or loss	**34,218**	**7,499**	**18,340**	**8,379**
Hedging derivative Instruments	**16,170**	**-**	**15,819**	**351**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**242,072**	**37,302**	**191,797**	**12,973**
Transfers from Level 1: Quoted prices in active markets for identical instruments			-	-
Transfers from Level 2: Valuation based on observable data		-		811
Transfers from Level 3: Valuation based on unobservable data		10	380	
TOTAL TRANSFERS TO EACH LEVEL		**10**	**380**	**811**

Transfers to liabilities towards and outside Level 3 relate to a better identification of the level of fair value of transactions presented on 31 December 2018 of the following balance sheet instruments: over-the-counter derivatives, and issues at fair value by option. This amount stands at -€2.1 billion.

Financial instruments classified in Level 1

Level 1 comprises all derivatives quoted in an active market (options, futures, etc.), regardless of their underlying (interest rate, exchange rate, precious metals, major stock indexes), as well as equities and bonds quoted in an active market.

A market is considered as being active if quoted prices are readily and regularly available from exchange, brokers, dealers, pricing services or regulatory agencies, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

Corporate, government and agency bonds that are valued on the basis of prices obtained from independent sources, deemed to be enforceable and updated regularly, are classified in Level 1. This covers the bulk of sovereign and agency bonds and corporate securities held. Issuers whose bonds are not quoted are classified in Level 3.

Financial instruments classified in Level 2

The main financial instruments classified in Level 2 are:

- debts designated at fair value;
- liabilities designated at fair value. Financial liabilities designated at fair value are classified in Level 2 when their embedded derivative is deemed to be classified in Level 2;
- over-the-counter derivatives.

The main OTC derivatives classified in Level 2 are those valued using inputs considered to be observable and where the valuation technique does not generate any significant exposure to a model risk.

Level 2 therefore mainly includes:

- linear derivative products such as interest rate swaps, currency swaps and forward FX. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates), or inputs derived from observable market prices (currency swaps);
- non-linear vanilla instruments such as caps, floors, swaptions, currency options, equity options and credit default swaps, including digital options. They are valued using simple models widely used in the market, based either on directly observable inputs (foreign exchange rates, interest rates, share prices) or inputs that can be derived from observable market prices (volatilities);
- certain structured products on which market quotations exist continuously and valued in a model subject to market consensus;
- securities listed on a market deemed inactive and for which independent valuation data are available.

Financial instruments classified in Level 3

Financial instruments classified in Level 3 are those which do not meet the conditions for classification in Level 1 or 2. They are therefore mainly financial instruments with a high model risk whose valuation requires substantial use of unobservable inputs.

All or part of the initial margin on all new transactions classified in Level 3 is reserved at the date of initial recognition. It is written back into the profit or loss account either spread over the period during which the inputs are considered to be unobservable or in full on the date when the inputs become observable, or when the transaction is completed.

Level 3 therefore mainly comprises:

Securities

Securities classified in Level 3 mainly include:

- unlisted shares or bonds for which no independent valuation is available;
- ABSs and CLOs for which there are indicative independent quotes but which are not necessarily executable;
- ABSs, CLOs and super senior and mezzanine CDO tranches where it cannot be demonstrated that the market is active.

Liabilities designated at fair value

Financial liabilities designated at fair value are classified in Level 3 when their embedded derivative is deemed to be classified in Level 3.

Over-the-counter derivatives

Unobservable income includes complex financial instruments that are significantly exposed to model risk or that involve parameters that are considered unobservable.

The aggregate of these principles is mapped for observability according to the three levels indicating for each product, currency and maturity the classification used.

Level 3 mainly comprises:

- interest rate exposures or very long-dated currency swaps or covering emerging currencies;
- equity exposures, mainly through products traded on shallow option markets or indexed to volatility or equity/equity correlations long-dated;
- exposures to non-linear long-dated products (interest rate or currency) on major currencies/indexes;
- non-linear exposures to emerging market currencies;
- complex derivatives.

The main exposures involved are:

- structured interest rates products known as "path dependent", whose future cash flows depend on past fixings observed on IR swap rates. These products valuation resort to complex models;
- securitisation swaps generating an exposure to the prepayment rate. The prepayment rate is determined on the basis of historical data on similar portfolios. The assumptions and inputs used are checked regularly on the basis of actual prepayments;
- hybrid products: those products flow depend on correlation between two different types of underlying products, such as interest rates, indexes, FX rate, credit spread;
- CDOs based on corporate credit baskets. These are no longer significant;
- certain portfolios of complex equity derivatives.

Net change in financial instruments measured at fair value according to Level 3

Financial assets measured at fair value according to Level 3

		Held-for-trading financial assets						
				Held-for-trading securities				
(in millions of euros)	**Total**	Loans and receivables due from customers	Securities bought under repurchase agreements	Treasury bills and similar securities	Bonds and other fixed income securities	Mutual funds	Held-for-trading securities	Derivative instruments
Opening balance (01/01/2019)	**12,172**	**1,374**	**967**	**445**	**54**	**25**	**524**	**1,421**
Gains or losses during the period[1]	**(109)**	15	(5)	-	(6)	1	(5)	(311)
Recognised in profit or loss	**91**	-	(3)	-	(6)	1	(5)	(311)
Recognised in other comprehensive income	**(200)**	15	(2)	-	-	-	-	-
Purchases	**5,448**	820	986	-	15	-	609	442
Sales	**(2,534)**	(1,113)	-	-	(6)	(2)	(8)	-
Issues	**-**	-	-	-	-	-	-	-
Settlements	**(307)**	(202)	-	-	(1)	-	(1)	(86)
Reclassifications	**46**	-	-	-	-	-	-	-
Changes associated with scope during the period	**(19)**	-	-	-	-	-	-	-
Transfers[2]	**370**	-	(29)	(445)	105	-	(339)	375
Transfers to Level 3	**2,247**	-	938	-	105	-	106	768
Transfers from Level 3	**(1,877)**	-	(967)	(445)	-	-	(445)	(393)
CLOSING BALANCE (31/12/2019)	**15,067**	**894**	**1,919**	**-**	**161**	**24**	**780**	**1,841**

(1) This balance includes the gains and losses of the period made on assets reported on the balance sheet at the closing date, for the following amounts:

Gains/ losses for the period from Level 3 assets held at the end of the period	**(176)**
Recognised in profit or loss	46
Recognised in other comprehensive income	(222)

(2) The transfers observed from Level 3 to Level 2 in assets result for -€0.3 billion from a review of the observability mapping on derivative instruments.

Transfers in assets to and outside Level 3 are based on better identification of the level of fair value of transactions presented on 31 December 2018 of the following balance sheet instruments: securities received under repurchase agreements, over-the-counter derivatives and public effects. This amount stands at +€0.1 billion.

Other financial instruments at fair value through profit or loss									Financial assets at fair value through other comprehensive income			
Equity instruments at fair value through profit or loss							Pledged securities		Equity instruments at fair value through other comprehensive income that will not be reclassified to profit and loss		Financial assets designated at fair value through profit or loss	
			Equities and other variable income securities								Debt securities	
Equity and other variable income securities	Non-consolidated equity investments	Loans and receivables due from customers	Treasury bills and similar securities	Bonds and other fixed income securities	Mutual funds	Debt securities	Bonds and other fixed income securities	Mutual funds	Equities and other variable income securities	Non-consolidated equity investments	Treasury bills and similar securities	Debt securities
1,009	**1,994**	**120**	**-**	**754**	**3,340**	**4,093**	**-**	**4**	**34**	**560**	**72**	**72**
1	224	(18)	4	5	(3)	6	184	-	2	(222)	-	20
1	224	(25)	4	5	(3)	6	184	-	-	-	-	20
-	-	7	-	-	-	-	-	-	2	(222)	-	-
126	692	288	-	70	1,096	1,167	-	8	-	310	-	-
(136)	(17)	(24)	-	(243)	(665)	(908)	-	-	-	(328)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	(1)	-	-	-	-	-	-	-	(17)	-	-
-	-	18	2	-	-	2	-	-	-	26	-	-
-	49	(16)	(4)	5	-	1	-	-	-	(53)	-	-
-	389	-	-	-	46	46	-	-	-	-	(72)	(72)
-	389	-	-	-	46	46	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	(72)	(72)
1,000	**3,331**	**367**	**2**	**591**	**3,814**	**4,407**	**184**	**12**	**36**	**276**	**-**	**20**

Financial liabilities measured at fair value according to Level 3

(in millions of euros)	Total	Financial liabilities held for trading						Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
		Securities sold short	Securities sold under repurchase agreements	Debt securities	Due to credit institutions	Due to customers	Derivative Instruments		
Opening balance (01/01/2019)	**12,973**	**220**	**2,324**	**-**	**-**	**-**	**1,699**	**8,379**	**351**
Gains or losses during the period(1)	**(486)**	(1)	-	-	-	-	(269)	(228)	12
Recognised in profit or loss	**(486)**	(1)	-	-	-	-	(269)	(228)	12
Recognised in other comprehensive income	**-**	-	-	-	-	-	-	-	-
Purchases	**532**	22	438	-	-	-	71	1	-
Sales	**(50)**	-	-	-	-	-	-	-	(50)
Issues	**3,446**	-	-	-	-	-	-	3,446	-
Reclassifications	**-**	-	-	-	-	-	-	-	-
Changes associated with scope during the period	**(14)**	-	-	-	-	-	-	(14)	-
Settlements	**(2,753)**	-	-	-	-	-	(60)	(2,693)	-
Transfers(2)	**(4,301)**	(241)	(1,891)	-	-	-	(792)	(1,377)	-
Transfers to Level 3	**605**	-	432	-	-	-	71	102	-
Transfers from Level 3	**(4,906)**	(241)	(2,323)	-	-	-	(863)	(1,479)	-
CLOSING BALANCE (31/12/2019)	**9,347**	**-**	**871**	**-**	**-**	**-**	**649**	**7,514**	**313**

(1) This balance includes the gains and losses of the period made on liabilities reported on the balance sheet at the closing date, for the following amounts:

Gains/ losses for the period from Level 3 assets held at the end of the period	**(486)**
Recognised in profit or loss	(486)
Recognised in other comprehensive income	-

(2) The transfer from Level 3 to Level 2 in liabilities for €2.1 billion follows the review of the observability criteria on the derivatives instruments and liabilities designated at fair value through profit or loss.

Transfers to liabilities towards and outside Level 3 relate to a better identification of the level of fair value of transactions presented on 31 December 2018 of the following balance sheet instruments: over-the-counter derivatives, and issues at fair value by option. This amount stands at -€2.1 billion.

Sensitivity analysis for financial instruments measured using the Level 3 valuation model

The use of unobservable inputs introduces uncertainty, which we have assessed below using a sensitivity calculation on instruments valued using these inputs.

Scope of interest rate derivatives

As regards interest rate derivatives, two key inputs are considered to be unobservable and of such a type that they result in the classification of the associated products in Level 3: correlation and prepayment rates (*i.e.* early redemption).

Correlation

Many products are sensitive to a correlation parameter. However, this parameter is not unique and there are many different types of correlation, including:

- forward correlation between two successive indices in the same currency, *e.g.* 2-year CMS/10-year CMS;
- interest rate/interest rate correlation (different indices), *e.g.* Libor 3M USD/ Libor 3M EUR;
- interest rate/FX correlation (or Quanto), *e.g.* USD/JPY – USD;
- equity/equity correlation;
- equity/FX correlation;
- equity/interest rate correlation;
- FX/FX correlation.

Prepayment rate

The prepayment rate is the rate of early repayment on securitisation portfolios, whether voluntary or involuntary (default). Exposure to this risk factor may stem from two types of source: direct exposure to these asset classes, or certain “securitisation” swaps, *i.e.* where the variations in their nominal amounts are adjusted automatically to the nominal amount of the underlying portfolio, with no mark-to-market payment. The prepayment rate plays a significant part in their valuation.

Calculation of impact

With respect to correlation

The results presented below have been obtained by applying the following distinct risk shocks:

- correlations between successive indices in the same currency (*i.e.* CMS correlations);
- cross assets correlations (*e.g.:* Equity/FX or IR/ Equity) and between two interest-rate curves in different currencies.

The result of the stress test is the sum of the absolute values obtained. For each type of correlation we considered absolute values by currency, maturity and portfolio, thus making a conservative assumption. For the CMS correlations, we considered the various underlyings independently (*e.g.* 1y10y, 2y10y).

As at 31 December 2019, the sensitivity to the parameters used in interest rate derivative models was therefore +/-€12 million.

The quantity expressed is a sensitivity for a normalised market variation assumption that is not intended to measure the impact of extreme variations.

With respect to the prepayment rate

Direct exposure to assets comprising a pre-payment risk concerns securitisations such as RMBS and CLO and mezzanine CDO tranches. These exposures are marginal. They can be taken into account through sensitivity to a 1 bp change in credit spreads. This sensitivity being very low (<€50k/bp), exposure to pre-payment rate is thus considered to be negligible.

The pre-payment rate is not an observable market parameter and the valuation model used for the securitisation swaps is particularly conservative. The valuation used is defined as the lower of the valuation obtained using a very fast pre-payment rate and using a very slow pre-payment rate. A “normal” variation in the pre-payment rate will therefore have no material impact on M-to-M, no Day One thus being used for these products.

11.3 ESTIMATED IMPACT OF INCLUSION OF THE MARGIN AT INCEPTION

(in millions of euros)	31/12/2019	31/12/2018
Deferred margin at 1 January	**61**	**67**
Margin generated by new transactions during the period	36	26
Recognised in net income during the period	-	-
Amortisation and cancelled / reimbursed / matured transactions	(24)	(32)
Profit-sharing and incentive plans	-	-
Effects of inputs or products reclassified as observable during the period	(7)	-
DEFERRED MARGIN AT THE END OF THE PERIOD	**66**	**61**

The first day margin on market transactions falling within Level 3 of fair value is reserved for the balance sheet and recognised in profit or loss as time passes or when unobservable parameters become observable again.

NOTE 12 Impacts of accounting changes and other events

12.1 IMPACTS OF IFRS 16 AT 1 JANUARY 2019

12.1.1 Balance sheet – Assets

(in millions of euros)	01/01/2019 Restated	Impact of IFRS 16	01/01/2019 Stated
Cash, central banks	70,584		70,584
Financial assets at fair value through profit or loss	372,142		372,142
Held for trading financial assets	223,229		223,229
Other financial instruments at fair value through profit or loss	148,913		148,913
Hedging derivative Instruments	15,829		15,829
Financial assets at fair value through other comprehensive income	264,981		264,981
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	260,251		260,251
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	4,730		4,730
Financial assets at amortised cost	1,032,456		1,032,456
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	97,194		97,194
Loans and receivables due from customers	854,681		854,681
Debt securities	80,581		80,581
Revaluation adjustment on interest rate hedged portfolios	8,337		8,337
Current and deferred tax assets	6,223	-	6,223
Accruals, prepayments and sundry assets	44,343	-	44,343
Non-current assets held for sale and discontinued operations	257		257
Deferred participation benefits	52		52
Investments in equity-accounted entities	6,308		6,308
Investment property	6,967	-	6,967
Property, plant and equipment	9,713	1,935	7,778
Intangible assets	2,366	(76)	2,442
Goodwill	16,064		16,064
TOTAL ASSETS	**1,856,622**	**1,859**	**1,854,763**

12.1.2 Balance sheet – liabilities

(in millions of euros)	01/01/2019 Restated	Impact of IFRS 16	01/01/2019 Stated
Central banks	1,140	-	1,140
Financial liabilities at fair value through profit or loss	225,902	-	225,902
Held for trading financial liabilities	191,684	-	191,684
Financial liabilities designated at fair value through profit or loss	34,218	-	34,218
Hedging derivative Instruments	16,170	-	16,170
Financial liabilities at amortised cost	1,084,032	-	1,084,032
Due to credit institutions	95,970	-	95,970
Due to customers	789,835	-	789,835
Debt securities	198,227	-	198,227
Revaluation adjustment on interest rate hedged portfolios	7,879	-	7,879
Current and deferred tax liabilities	2,442	-	2,442
Accruals, prepayments and sundry liabilities	49,872	1,863	48,009
Liabilities associated with non-current assets held for sale and discontinued operations	229	-	229
Insurance company technical reserves	325,910	-	325,910
Provisions	8,103	(4)	8,107
Subordinated debt	22,755	-	22,755
Total Liabilities	**1,744,434**	**1,859**	**1,742,575**
Equity	**112,188**	**-**	**112,188**
Equity – Group share	**106,717**	**-**	**106,717**
Share capital and reserves	27,611	-	27,611
Consolidated reserves	70,955	-	70,955
Other comprehensive income	1,298	-	1,298
Other comprehensive income on discontinued operations	9	-	9
Net income (loss) for the year	6,844	-	6,844
Non-controlling interests	**5,471**	**-**	**5,471**
TOTAL LIABILITIES AND EQUITY	**1,856,622**	**1,859**	**1,854,763**

NOTE 13 Scope of consolidation at 31 December 2019

13.1 INFORMATION ON SUBSIDIARIES

13.1.1 Restrictions on entities

Crédit Agricole Group is subject to the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole S.A. are subject to prudential regulation and regulatory capital requirements in their host countries. The minimum equity capital (solvency ratio), leverage ratio and liquidity ratio requirements limit the capacity of these entities to pay dividends or to transfer assets to Crédit Agricole Group.

Legal constraints

The subsidiaries of Crédit Agricole Group are subject to legal provisions concerning the distribution of capital and distributable earnings. These requirements limit the ability of the subsidiaries to distribute dividends. In the majority of cases, these are less restrictive than the regulatory limitations mentioned above.

Restriction on assets backing unit-linked contracts for the insurance business

Assets backing unit-linked contracts of Crédit Agricole Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole Group are mainly held for satisfying their obligation towards their policyholders. Assets transfers to other entities are possible following the legal conditions. However, in case of a transfer, a part of the profit due to the transfer must be intended for the policyholders.

Other constraints

Crédit Agricole CIB Algérie must subject its dividend distribution to the prior approval of its regulatory authority (Bank of Algeria).

The dividend payment of CA Égypte is subject to the prior approval of the local regulator.

13.1.2 Support for structured entities under Group control

Crédit Agricole CIB has contractual arrangements with some consolidated structured entities that equate to commitments to provide financial support.

To meet its funding needs, Crédit Agricole CIB uses structured debt issuance vehicles to raise cash on financial markets. Securities issued by these entities are fully underwritten by Crédit Agricole CIB.

At 31 December 2019, the outstanding volume of these issues was €25 billion.

As part of its third-party securitisation business, Crédit Agricole CIB provides liquidity lines to its ABCP conduits. At 31 December 2019, these liquidity lines totalled €37 billion compared to €35 billion at 31 December 2018.

Crédit Agricole S.A. provided no other financial support for any structured entities consolidated at 31 December 2019 and 31 December 2018.

13.1.3 Securitisation transactions and dedicated funds

Various Group entities conduct securitisation operations on their own account as part of collateralised refinancing transactions. Depending on the circumstances, these transactions can be wholly or partially placed with investors, sold under repurchase agreements or kept on the issuer's balance sheet as liquid securities reserves that can be used to manage refinancing.

Following the IFRS 9 decision tree, these transactions are considered to form part of deconsolidating or non-deconsolidating transactions: for non-deconsolidating transactions, the assets are retained on the consolidated balance sheet of Crédit Agricole Group.

13.2 SCOPE OF CONSOLIDATION

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
French Retail banking									
Banking and financial institutions									
2,417 Caisses locales	●		France		P	100.0	100.0	100.0	100.0
38 Caisses régionales	●		France		P	100.0	100.0	100.0	100.0
Banque Chalus	■		France		S	100.0	100.0	100.0	100.0
Bforbank S.A.	■		France		S	100.0	100.0	100.0	100.0
Caisse régionale Provence – Côte d'Azur, Agence de Monaco	■		Monaco	France	B	100.0	100.0	100.0	100.0
Cofam	■		France		S	100.0	100.0	100.0	100.0
CRCAM SUD MED. SUC	■		Spain	France	B	100.0	100.0	100.0	100.0
FIMO Courtage	■	E1	France		S	100.0		99.0	
Interfimo	■		France		S	99.0	99.0	99.0	99.0
LCL	■		France		S	100.0	100.0	100.0	100.0
LCL succursale de Monaco	■		Monaco	France	B	100.0	100.0	100.0	100.0
Sircam	■		France		S	100.0	100.0	100.0	100.0
Lease financing companies									
Locam	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Audaxis France	▲	S2	France		A		6.1		5.8
Bercy Participations	■		France		S	100.0	100.0	100.0	100.0
BMDR Editions	▲		France		A	2.6	2.6	2.3	2.3
CA Centre France Développement	■		France		S	100.0	100.0	100.0	100.0
CA INVESTISSEMENTS STRATÉGIQUES CENTRE-EST	■	E2	France		S	100.0		100.0	
CACF Immobilier	■		France		S	100.0	100.0	100.0	100.0
CADINVEST	■	E1	France		S	100.0		100.0	
CADS Capital	■		France		S	100.0	100.0	100.0	100.0
CADS Développement	■		France		S	100.0	100.0	100.0	100.0
Calixte Investissement	■		France		S	100.0	100.0	100.0	100.0
CAP REGIES	▲		France		A	25.2	25.2	22.9	23.0
CD COM (ChampagneFM)	▲		France		A	25.2	25.2	24.2	24.2
Centre Loire Expansion	■	E1	France		S	100.0		100.0	
Cercle Bleu	▲		France		A	25.0	25.0	23.9	23.9
Charente Périgord Expansion	■	E1	France		S	100.0		100.0	
Contact FM	▲		France		A	25.2	25.2	24.2	24.2
Courrier Picard	▲		France		A	24.9	24.9	23.9	23.9
Crédit Agricole F.C. Investissement	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Languedoc Energies Nouvelles	■		France		S	100.0	100.0	100.0	100.0
Foncière du Maine	■		France		S	100.0	100.0	100.0	100.0
GROUPE ROSSEL LA VOIX	▲		France		A	25.2	25.2	25.2	25.2
HEBDO PRESSE DÉVELOPPEMENT	▲		France		A	8.4	8.4	7.7	7.7
Images en Nord	▲		France		A	13.3	13.3	39.0	12.7
Imprimerie du Messager	▲		France		A	25.2	25.2	24.1	24.1
Internep	▲		France		A	25.2	25.2	24.2	24.2
L' ARDENNAIS	▲		France		A	25.2	25.2	23.0	23.0
L' EST ECLAIR	▲		France		A	25.2	25.2	23.0	23.0
La Voix du Nord	▲		France		A	24.2	24.2	24.2	24.2
La Voix FM	▲		France		A	25.2	25.2	24.2	24.2
LA VOIX MEDIAS	▲		France		A	25.2	25.2	24.2	24.2
L'Aisne Nouvelle	▲		France		A	24.5	24.5	23.2	23.2
L'Immobilière d'A Côté	■		France		CSE	100.0	100.0	100.0	100.0
L'Indépendant du P. de Calais	▲		France		A	12.4	12.4	11.9	11.9
My Video Place	▲	S2	France		A		3.8		3.3
NECI	■		France		S	100.0	100.0	100.0	100.0
Nep TV	▲		France		A	25.2	25.2	24.2	24.2
NEW POLE CAP	▲		France		A	23.9	23.9	23.0	23.0
Newsmaster France	▲		France		A	12.6	12.6	12.1	12.1
NMP Développement	■	E1	France		S	100.0		100.0	
Nord Capital Investissement	■		France		S	99.3	99.3	99.3	99.3
Nord Eclair	▲		France		A	25.2	25.2	24.2	24.2
Nord Est Expansion	■		France		CSE	100.0	100.0	100.0	100.0
Nord Littoral	▲		France		A	25.2	25.2	24.2	24.2
NORDISPRESS	▲		France		A	25.2	25.2	24.2	24.2
Normandie Conseil Medias	▲		France		A	25.2	25.2	24.2	24.2
Picardie Matin	▲		France		A	25.2	25.2	23.8	23.8
Presse Flamande	▲		France		A	24.9	24.9	23.9	23.9
Répondances	▲		France		A	25.2	25.2	24.2	24.2
Sequana	■		France		CSE	100.0	100.0	100.0	100.0
SOCIÉTÉ D'ÉDITION & PUBLICATION LIBÉRATION (LIBÉRATION CHAMPAGNE)	▲		France		A	25.1	25.1	22.9	22.9
Socadif	■		France		S	100.0	100.0	100.0	100.0
SOCIÉTÉ DU JOURNAL L'UNION	▲		France		A	25.2	25.2	22.9	23.0
Société Financière de Ty Nay	■	E1	France		CSE	100.0		100.0	
Société Financière du Languedoc Roussillon (SOFILARO)	■		France		S	100.0	100.0	100.0	100.0
Société Normande d'Information et Médias	▲		France		A	25.2	25.2	24.2	24.2
STM	▲		France		A	15.8	15.8	24.8	8.5
TELE SAINT-QUENTIN	▲		France		A	5.7	5.7	5.4	5.4
Voix du Nord Étudiant	▲	S2	France		A		12.6		12.1
Insurance									
Camca Assurance	■		Luxembourg		S	100.0	100.0	100.0	100.0
Camca Courtage	■		France		S	100.0	100.0	100.0	100.0
Camca Lux Finance Management Company	■		Luxembourg		S	100.0	100.0	100.0	100.0
Camca Réassurance	■		Luxembourg		S	100.0	100.0	100.0	100.0
Fcp Camca Lux Finance	■		Luxembourg		S	100.0	100.0	100.0	100.0
Groupe CAMCA	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Sci 32 Liberté	■		Luxembourg		S	100.0	100.0	100.0	100.0
Sci Haussmann 122	■		France		S	100.0	100.0	100.0	100.0
Sci La Boétie 65	■		France		S	100.0	100.0	100.0	100.0
Tourism – property development									
57 COURS DE LA LIBERTÉ (SCI)	■	D3	France		S	100.0		100.0	
Angle Neuf	■		France		S	100.0	100.0	100.0	100.0
Aquitaine Immobilier Investissement	■		France		S	100.0	100.0	100.0	100.0
Charente Périgord Immobilier	■	E1	France		S	100.0		100.0	
CRÉDIT AGRICOLE ATLANTIQUE VENDÉE IMMOBILIER PARTICIPATION	■	E1	France		S	100.0		100.0	
Franche Comté Développement Foncier	■		France		S	100.0	100.0	100.0	100.0
Franche Comté Développement Immobilier	■		France		S	100.0	100.0	100.0	100.0
Immeuble Franche-Comté	■		France		S	100.0	100.0	100.0	100.0
Midi Toulousain Immobilier	■	E1	France		S	100.0		100.0	
Nacarat	▲		France		A	30.8	30.8	30.8	30.8
Native Immobilier	▲	S2	France		A		40.0		40.0
Nord Est Aménagement Promotion	■		France		S	100.0	100.0	100.0	100.0
Nord Est Immo	■		France		S	100.0	100.0	100.0	100.0
Nord Est Optimmo S.A.S.	■	S5	France		S		100.0		100.0
Nord Est Patrimoine Immobilier	■		France		S	100.0	100.0	100.0	100.0
Normandie Seine Foncière	■		France		S	100.0	100.0	100.0	100.0
S.A. Foncière de l'Érable	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Chalons Mont Bernard	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Charleville Forest	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Laon Brossolette	■	S5	France		S		100.0		100.0
SAS CENTRE D'AFFAIRES DU PARC LUMIÈRE	■		France		S	100.0	100.0	100.0	100.0
SAS Crédit Agricole Centre Loire Investissement	■	E1	France		S	100.0		100.0	
SCI 1 PLACE FRANCISQUE REGAUD	■	D3	France		S	100.0		100.0	
SCI 22 QUAI SARRAIL	■	D3	France		S	100.0		100.0	
SCI 25-27 RUE DES TUILERIES	■	D3	France		S	100.0		100.0	
SCI 27 QUAI ROMAIN ROLLAND	■	D3	France		S	100.0		100.0	
SCI 3 QUAI J. MOULIN	■	D3	France		S	100.0		100.0	
SCI 5 RUE DU BŒUF	■	D3	France		S	100.0		100.0	
SCI 50-52 MONTÉE DU GOURGUILLON	■	D3	France		S	100.0		100.0	
SCI CAP ARROW	■	D3	France		S	100.0		100.0	
SCI CONFIDENCE	■	D3	France		S	100.0		100.0	
SCI Crystal Europe	■		France		S	100.0	100.0	100.0	100.0
SCI DE LA CROIX ROCHERAN	■		France		S	100.0	100.0	100.0	100.0
SCI DE LA MAISON DU GRIFFON	■	D3	France		S	100.0		100.0	
SCI DES JARDINS D'ORSAY	■	D3	France		S	100.0		100.0	
SCI DU 113 RUE DES CHARMETTES	■	D3	France		S	100.0		100.0	
SCI DU 36	■	D3	France		S	100.0		100.0	
SCI DU 7 RUE PASSET	■	D3	France		S	100.0		100.0	
SCI DU JARDIN LAENNEC	■	D3	France		S	100.0		100.0	
SCI DU JARDIN SAINT-JOSEPH	■	D3	France		S	100.0		100.0	
SCI Euralliance Europe	■		France		S	100.0	100.0	100.0	100.0
SCI GAMBETTA	■	D3	France		S	100.0		100.0	
SCI GREEN CROZET	■	D3	France		S	100.0		100.0	
SCI JDL BAITMENT 5	■	D3	France		S	100.0		100.0	
SCI LA RUCHE 18-20	■	D3	France		S	100.0		100.0	
SCI LE BRETAGNE	■		France		S	75.0	75.0	75.0	75.0
SCI MONTAGNY 71	■	D3	France		S	100.0		100.0	
SCI Quartz Europe	■		France		S	100.0	100.0	100.0	100.0
SCI SILK OFFICE	■	D3	France		S	100.0		100.0	
SCI VILLA BELLA	■	D3	France		S	100.0		100.0	
SQUARE HABITAT ATLANTIQUE VENDÉE	■	E1	France		S	100.0		100.0	
Square Habitat Nord de France	■		France		S	100.0	100.0	100.0	100.0
Square Habitat Toulouse 31	■	E1	France		S	100.0		100.0	
Other									
955	■	D3	France		S	100.0		100.0	
SNC 120 RUE SAINT-GEORGES	■	D3	France		S	100.0		100.0	
1 BD MONGE	■	D3	France		S	100.0		100.0	
11 GABRIEL PÉRI	■	D3	France		S	100.0		100.0	
15 RUE DE SAINT-CYR	■	D3	France		S	100.0		100.0	
2 PL. DUMAS DE LOIRE & 7 R 2 PLACES	■	D3	France		S	100.0		100.0	
21 ALSACE-LORRAINE	■	D3	France		S	100.0		100.0	
24 RUE D'ALSACE	■	D3	France		S	100.0		100.0	
24 RUE DES TUILLIERS	■	D3	France		S	100.0		100.0	
29 LANTERNE	■	D3	France		S	100.0		100.0	
3 CUVIER	■	D3	France		S	100.0		100.0	
37 ROUTE DES BLANCHES (GEX FERNEY)	■	D3	France		S	100.0		100.0	
42 RUE MERCIÈRE	■	D3	France		S	100.0		100.0	
57 RUE MARCHANDE	■	D3	France		S	100.0		100.0	
6 RUE VAUBECOUR	■	D3	France		S	100.0		100.0	
78 DENFERT	■	D3	France		S	100.0		100.0	
7-9-11 RUE DU MILIEU	■	D3	France		S	100.0		100.0	
91 CREQUI	■	D3	France		S	100.0		100.0	

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
93 GRANDE RUE D'OULLINS	■	D3	France		S	100.0		100.0	
ADMINISTRATION GESTION IMMOBILIÈRE	■	D3	France		S	100.0		100.0	
Adret Gestion	■		France		CSE	100.0	100.0	100.0	100.0
ALGERIE 10	■	D3	France		S	100.0		100.0	
Alsace Elite	■		France		CSE	97.0	97.0	97.0	97.0
Anjou Maine Gestion	■		France		S	100.0	100.0	100.0	100.0
Aquitaux Rendement	■		France		S	100.0	100.0	100.0	100.0
Armor Fonds Dédié	■		France		S	100.0	100.0	100.0	100.0
AZUR	■	D3	France		S	100.0		100.0	
Bercy Champ de Mars	■		France		S	100.0	100.0	100.0	100.0
BOUTIN 56	■	D3	France		S	100.0		100.0	
Brie Picardie Croissance	■		France		CSE	100.0	100.0	100.0	100.0
C.L. Verwaltungs und Beteiligungsge-sellschaft GmbH	■		Germany		S	100.0	100.0	100.0	100.0
CA Aquitaine Agences Immobilières	■		France		S	100.0	100.0	100.0	100.0
CA Aquitaine Immobilier	■		France		S	100.0	100.0	100.0	100.0
CA Centre-Est Développement Immobilier	■		France		S	100.0	100.0	100.0	100.0
CAAP CREATION	■		France		CSE	100.0	100.0	100.0	100.0
CAAP Immo	■		France		CSE	100.0	100.0	100.0	100.0
CAAP IMMO GESTION	■		France		CSE	100.0	100.0	100.0	100.0
CAAP Immo Invest	■	E1	France		CSE	100.0		100.0	
CAM HYDRO	■		France		S	100.0	100.0	100.0	100.0
CAP ACTIONS 3	■		France		CSE	100.0	100.0	100.0	100.0
CAP Régulier 1	■		France		CSE	100.0	100.0	100.0	100.0
CAP Régulier 2	■		France		S	100.0	100.0	100.0	100.0
CAPG ÉNERGIES NOUVELLES	■		France		S	100.0	100.0	100.0	100.0
CAPG INVESTISSEMENTS ÉNERGÉTIQUES	■		France		S	65.0	65.0	65.0	65.0
CAPI Centre-Est	■		France		S	100.0	100.0	100.0	100.0
CASRA CAPITAL	■		France		S	100.0	100.0	100.0	100.0
Centre France Location Immobilière	■		France		S	100.0	100.0	100.0	100.0
Chabrillac	■		France		S	100.0	100.0	93.5	88.9
CHALOPIN GUILLOTIÈRE	■	D3	France		S	100.0		100.0	
Compagnie Foncière Lyonnaise	■		France		S	100.0	100.0	100.0	100.0
CONSTANTINE 12	■	D3	France		S	100.0		100.0	
Crédit Agricole Centre Est Immobilier	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Languedoc Immobilier	■		France		S	100.0	100.0	100.0	100.0
Crédit Lyonnais Développement Économique (CLDE)	■		France		S	100.0	100.0	100.0	100.0
CROIX ROUSSE	■	D3	France		S	100.0		100.0	
DAPAR	■	D3	France		S	100.0		100.0	
DE L'ARTOIS	■	D3	France		S	100.0		100.0	
DES CYGNES	■	D3	France		S	100.0		100.0	
DES ECHEVINS	■	D3	France		S	100.0		100.0	
DES PAYS BAS	■	D3	France		S	100.0		100.0	
DU 34 RUE ÉDOUARD HERRIOT	■	D3	France		S	100.0		100.0	
DU 46	■	D3	France		S	100.0		100.0	
DU BOIS DU PORT	■	D3	France		S	100.0		100.0	
DU CARILLON	■	D3	France		S	100.0		100.0	
DU CORBILLON	■	D3	France		S	100.0		100.0	
DU CORVETTE	■	D3	France		S	100.0		100.0	
DU ROZIER	■	D3	France		S	100.0		100.0	
DU TOURNE-FEUILLE	■	D3	France		S	100.0		100.0	
Edokial	■		France		S	66.0	66.0	95.7	58.7
Emeraude Croissance	■		France		CSE	100.0	100.0	100.0	100.0
EPV6	■	S3	France		S		100.0		65.0
EUROHABITAT	■	D3	France		S	100.0		100.0	
EUROTERTIAIRE 2	■	D3	France		S	100.0		100.0	
Everbreizh	■		France		CSE	100.0	100.0	100.0	100.0
FCP Centre Loire	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2015 (sauf compartiment Corse)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2017 (sauf compartiment Corse)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2018 (sauf compartiment Corse)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2019 (sauf compartiment Corse)	■	E2	France		CSE	100.0		100.0	
FCT True Sale (Compartiment LCL)	■	E2	France		CSE	100.0		100.0	
Fief Nouveau	■	E1	France		S	100.0		100.0	
Financière PCA	■	S1	France		CSE		100.0		100.0
Finarmor Gestion	■	S1	France		S		100.0		100.0
FINIST-LCR	■		France		CSE	100.0	100.0	100.0	100.0
Foncière Crédit Agricole Sud Rhône-Alpes	■		France		S	100.0	100.0	100.0	100.0
Foncière TP	■	E1	France		S	100.0		100.0	
Fonds dédié Elstar	■		France		S	100.0	100.0	99.0	100.0
Force 29	■		France		S	100.0	100.0	100.0	100.0
Force Alsace	■		France		CSE	100.0	100.0	100.0	100.0
Force Charente-Maritime Deux-Sèvres	■		France		S	100.0	100.0	100.0	100.0
Force Iroise	■		France		CSE	100.0	100.0	100.0	100.0
Force Languedoc	■		France		CSE	100.0	100.0	100.0	100.0
Force Lorraine Duo	■		France		CSE	100.0	100.0	100.0	100.0
Force Profile 20	■		France		S	100.0	100.0	99.9	99.9
Force Run	■		France		S	100.0	100.0	100.0	100.0
Force Toulouse Diversifié	■		France		CSE	100.0	100.0	100.0	100.0
Force 4	■		France		CSE	100.0	100.0	100.0	100.0
GRANGE HAUTE	■	D3	France		S	100.0		100.0	
HAPPY FM	▲		France		A	25.2	25.2	24.2	24.2
Immocam	■	E1	France		S	100.0		100.0	
Inforsud Diffusion	■		France		S	100.0	100.0	93.5	88.9

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Inforsud Gestion	■		France		CSE	93.5	93.5	93.5	93.5
INTERIMOB	■	D3	France		S	100.0		100.0	
JOLIOT CURIE	■	D3	France		S	100.0		100.0	
L'EGLANTINE	■	D3	France		S	100.0		100.0	
LES OVALISTES	■	D3	France		S	100.0		100.0	
LEYNAUD 41	■	D3	France		S	100.0		100.0	
LOCA-CORB	■	D3	France		S	100.0		100.0	
LOCAFLEX	■	D3	France		S	100.0		100.0	
LOCAGUET	■	D3	France		S	100.0		100.0	
LYONNAISE DE PRÉFABRICATION	■	D3	France		S	100.0		100.0	
MACE MONGE	■	D3	France		S	100.0		100.0	
MAISON DE LA DANSE	■	D3	France		S	100.0		100.0	
MAZARIK 24	■	D3	France		S	100.0		100.0	
Merico Delta Print	■	S2	France		S		100.0		88.9
MGC	■	D3	France		S	100.0		100.0	
MOULIN DE PRESSENSÉ	■	D3	France		S	100.0		100.0	
NMP Gestion	■		France		CSE	100.0	100.0	100.0	100.0
NS ALTERNATIVE PERFORMANCE	■	E2	France		S	100.0		100.0	
Ozenne Institutionnel	■		France		CSE	100.0	99.8	100.0	99.8
P.N.S.	■	D3	France		S	100.0		100.0	
PCA IMMO	■		France		S	100.0	100.0	100.0	100.0
PG Développement	■		France		S	100.0	100.0	100.0	100.0
PG IMMO	■		France		S	100.0	100.0	100.0	100.0
PG Invest	■		France		S	100.0	100.0	100.0	100.0
POLYLOC	■	D3	France		S	100.0		100.0	
Prestimmo	■		France		S	100.0	100.0	100.0	100.0
Pyrénées Gascogne Altitude	■		France		S	100.0	100.0	100.0	100.0
Pyrénées Gascogne Gestion	■		France		S	100.0	100.0	100.0	100.0
RENE 35	■	D3	France		S	100.0		100.0	
Réunion Télécom	■	E1	France		S	86.0		86.0	
Run Cartes	■	E1	France		S	60.0		51.6	
SAINT CLAR (SNC)	■		France		S	100.0	100.0	65.0	65.0
SARL PAUL VERLAINE	■	D3	France		S	100.0		100.0	
SAS Brie Picardie Expansion	■		France		S	100.0	100.0	100.0	100.0
SAS CATP EXPANSION	■	E1	France		S	100.0		100.0	
SCI Campayrol	■	E1	France		S	100.0		100.0	
SCI SRA BELLEDONNE	■		France		S	100.0	100.0	100.0	100.0
SCI SRA CHARTREUSE	■		France		S	100.0	100.0	100.0	100.0
SCI SRA VERCORS	■		France		S	100.0	100.0	100.0	100.0
SCI Turenne Wilson	■	E1	France		S	100.0		100.0	
Scica HL	■		France		S	100.0	100.0	100.0	100.0
SILOS DE JONAGE	■	D3	France		S	100.0		100.0	
Société de Transactions Immobilières de Bourbon	■	E1	France		S	100.0		100.0	
SOCIÉTÉ D'ÉTUDES DE PARTICIPATIONS ET D'INVESTISSEMENT	■	D3	France		S	100.0		100.0	
SOCIÉTÉ D'EXPLOITATION DES TÉLÉPHERIQUES TARENTAISE-MAURIENNE	▲		France		A	38.1	38.1	38.1	38.1
SOLYMO	■	D3	France		S	100.0		100.0	
Square Habitat Gestion Sud Rhône-Alpes	■		France		S	100.0	100.0	100.0	100.0
Square Habitat Pays Basque	■		France		S	100.0	100.0	100.0	100.0
Square Habitat Sud Rhône-Alpes	■		France		S	100.0	100.0	100.0	100.0
STEPHANE	■	D3	France		S	100.0		100.0	
Sud Rhône Alpes Placement	■		France		S	100.0	100.0	99.9	99.9
Toulouse 31 Court Terme	■		France		CSE	100.0	100.0	100.0	100.0
UNI-INVEST ANJOU MAINE	■	E1	France		S	100.0		100.0	
Val de France Rendement	■		France		S	100.0	100.0	100.0	100.0
Valeurs Monétiques	■	E1	France		S	100.0		86.0	
VIVIER TOULON	■	D3	France		S	100.0		100.0	
International Retail banking									
Banking and financial institutions									
Arc Broker	■		Poland		S	100.0	100.0	100.0	100.0
Bankoa	■		Spain		S	99.8	99.8	99.8	99.8
BANKOA KARTERA S.A.	■		Spain		S	100.0	100.0	99.8	99.8
CRÉDIT AGRICOLE BANK	■		Ukraine		S	100.0	100.0	100.0	100.0
Crédit Agricole Bank Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Banka Srbija a.d. Novi Sad	■		Serbia		S	100.0	100.0	100.0	100.0
CRÉDIT AGRICOLE BANKOA GESTION	■		Spain		S	100.0	100.0	99.8	99.8
Crédit Agricole Carispezia S.p.A.	■	S4	Italy		S		80.0		69.1
Crédit Agricole Egypt S.A.E.	■		Egypt		S	60.5	60.5	60.5	60.5
Crédit Agricole Friuladria S.p.A.	■		Italy		S	81.8	81.3	69.5	70.3
Crédit Agricole Group Solutions	■		Italy		CSE	100.0	100.0	83.4	84.4
Crédit Agricole Italia	■	D1	Italy		S	84.9	86.4	84.9	86.4
Crédit Agricole Leasing Italia	■		Italy		S	100.0	100.0	87.2	88.4
Crédit Agricole next bank (Suisse) S.A.	■		Switzerland		S	100.0	100.0	100.0	100.0
Crédit Agricole Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Romania	■	D4	Romania		S	100.0	100.0	100.0	100.0
Crédit Agricole Service sp z o.o.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit du Maroc	■		Morocco		S	78.7	78.7	78.7	78.7
Lukas Finanse S.A.	■	S4	Poland		S		100.0		100.0
SIFIM	■	E1	Morocco		S	100.0		78.7	
SWISS HOME LOAN	■		Switzerland		CSE	94.5	94.5	94.5	94.5
Other									
IUB Holding	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
SAVINGS MANAGEMENT									
Banking and financial institutions									
ABC-CA Fund Management CO	▲		China		A	33.3	33.3	23.3	23.3
AMUNDI	■		France		S	70.0	70.0	70.0	70.0
AMUNDI (UK) Ltd	■		United Kingdom		S	100.0	100.0	70.0	70.0
AMUNDI Asset Management	■		France		S	100.0	100.0	70.0	70.0
AMUNDI ASSET MANAGEMENT AGENCIA EN CHILE	■	E2	Chile		B	100.0		69.9	
AMUNDI ASSET MANAGEMENT BELGIUM	■		Belgium		B	100.0	100.0	69.9	70.0
AMUNDI ASSET MANAGEMENT DUBAI (OFF SHORE) BRANCH	■		United Arab Emirates		B	100.0	100.0	69.9	70.0
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	■		Hong Kong		B	100.0	100.0	70.0	70.0
AMUNDI ASSET MANAGEMENT LONDON BRANCH	■		United Kingdom		B	100.0	100.0	70.0	70.0
AMUNDI ASSET MANAGEMENT MEXICO BRANCH	■	E2	Mexico		B	100.0		69.9	
AMUNDI ASSET MANAGEMENT NEDERLAND	■		Netherlands		B	100.0	100.0	70.0	70.0
Amundi Asset Management S.A.I S.A.	■		Romania		S	100.0	100.0	70.0	70.0
Amundi Austria GmbH	■		Austria		S	100.0	100.0	70.0	70.0
Amundi Czech Republic Asset Management Bratislava Branch	■		Slovakia		B	100.0	100.0	69.9	70.0
Amundi Czech Republic Asset Management Sofia Branch	■		Bulgaria		B	100.0	100.0	69.9	70.0
Amundi Czech Republic Asset Management, A.S.	■		Czech Republic		S	100.0	100.0	70.0	70.0
Amundi Czech Republic, Investicni Spolecnost, A.S.	■		Czech Republic		S	100.0	100.0	70.0	70.0
Amundi Deutschland GmbH	■		Germany		S	100.0	100.0	70.0	70.0
AMUNDI Finance	■		France		S	100.0	100.0	70.0	70.0
AMUNDI Finance Emissions	■		France		S	100.0	100.0	70.0	70.0
AMUNDI GLOBAL SERVICING	■		Luxembourg		S	100.0	100.0	70.0	70.0
AMUNDI Hellas MFMC S.A.	■		Greece		S	100.0	100.0	70.0	70.0
AMUNDI Hong Kong Ltd	■		Hong Kong		S	100.0	100.0	70.0	70.0
AMUNDI Iberia S.G.I.I.C S.A.	■		Spain		S	100.0	100.0	70.0	70.0
AMUNDI Immobilier	■		France		S	100.0	100.0	70.0	70.0
AMUNDI India Holding	■		France		S	100.0	100.0	70.0	70.0
AMUNDI Intermédiation	■		France		S	100.0	100.0	70.0	70.0
Amundi Intermédiation Asia PTE Ltd	■		Singapore		S	100.0	100.0	70.0	70.0
Amundi Intermédiation Dublin Branch	■		Ireland		B	100.0	100.0	70.0	70.0
Amundi Intermédiation London Branch	■		United Kingdom		B	100.0	100.0	70.0	70.0
Amundi Investment Fund Management Private Limited Company	■		Hungary		S	100.0	100.0	70.0	70.0
Amundi Ireland Ltd	■		Ireland		S	100.0	100.0	70.0	70.0
Amundi Ireland Ltd London Branch	■	S1	United Kingdom		B		100.0		70.0
Amundi Ireland Ltd Singapore Branch	■	S1	Singapore		B		100.0		70.0
AMUNDI Issuance	■		France		S	100.0	100.0	70.0	70.0
AMUNDI Japan	■		Japan		S	100.0	100.0	70.0	70.0
AMUNDI Japan Holding	■		Japan		S	100.0	100.0	70.0	70.0
Amundi Luxembourg S.A.	■		Luxembourg		S	100.0	100.0	70.0	70.0
AMUNDI Malaysia Sdn Bhd	■		Malaysia		S	100.0	100.0	70.0	70.0
Amundi Pioneer Asset Management Inc.	■		United States		S	100.0	100.0	70.0	70.0
Amundi Pioneer Asset Management USA Inc.	■		United States		S	100.0	100.0	70.0	70.0
Amundi Pioneer Distributor Inc.	■		United States		S	100.0	100.0	70.0	70.0
Amundi Pioneer Institutional Asset Management Inc.	■		United States		S	100.0	100.0	70.0	70.0
AMUNDI Polska	■		Poland		S	100.0	100.0	70.0	70.0
AMUNDI Private Equity Funds	■		France		S	100.0	100.0	70.0	70.0
AMUNDI Real Estate Italia SGR S.p.A.	■		Italy		S	100.0	100.0	70.0	70.0
AMUNDI SGR S.p.A.	■		Italy		S	100.0	100.0	70.0	70.0
AMUNDI Singapore Ltd	■		Singapore		S	100.0	100.0	70.0	70.0
AMUNDI Suisse	■		Switzerland		S	100.0	100.0	70.0	70.0
Amundi Taiwan Limited	■	E3	Taiwan		S	100.0		70.0	
AMUNDI Tenue de Comptes	■		France		S	100.0	100.0	70.0	70.0
AMUNDI USA Inc.	■		United States		S	100.0	100.0	70.0	70.0
AMUNDI Ventures	■		France		S	100.0	100.0	70.0	70.0
BFT Investment Managers	■		France		S	100.0	100.0	70.0	70.0
CA Indosuez (Suisse) S.A. Hong Kong Branch	■		Hong Kong	Switzerland	B	100.0	100.0	100.0	100.0
CA Indosuez (Suisse) S.A. Singapore Branch	■		Singapore	Switzerland	B	100.0	100.0	100.0	100.0
CA Indosuez (Suisse) S.A. Switzerland Branch	■		Switzerland		B	100.0	100.0	100.0	100.0
CA Indosuez (Switzerland) S.A.	■		Switzerland		S	100.0	100.0	100.0	100.0
CA Indosuez Finanziaria S.A.	■		Switzerland		S	100.0	100.0	100.0	100.0
CA Indosuez Gestion	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
CA Indosuez Wealth (Europe)	■		Luxembourg		S	100.0	100.0	100.0	100.0
CA Indosuez Wealth (Europe) Belgium Branch	■		Belgium	Luxembourg	B	100.0	100.0	100.0	100.0
CA Indosuez Wealth (Europe) Italy Branch	■		Italy	Luxembourg	B	100.0	100.0	100.0	100.0
CA Indosuez Wealth (Europe) Spain Branch	■		Spain	Luxembourg	B	100.0	100.0	100.0	100.0
CA Indosuez Wealth (France)	■		France		S	100.0	100.0	100.0	100.0
CA Indosuez Wealth Italy S.P.A.	■	D1	Italy		S	100.0	94.2	100.0	94.1
CFM Indosuez Wealth	■		Monaco		S	70.2	70.1	69.0	69.0
CPR AM	■		France		S	100.0	100.0	70.0	70.0
Étoile Gestion	■		France		S	100.0	100.0	70.0	70.0
Fund Channel	▲		Luxembourg		JV	50.0	50.0	35.0	35.0
Fund Channel Singapore Branch	▲		Singapore	Luxembourg	JV	50.0	50.0	15.3	35.0
KBI Fund Managers Limited	■		Ireland		S	87.5	87.5	70.0	70.0
KBI Global Investors (North America) Limited	■		Ireland		S	87.5	87.5	70.0	70.0
KBI Global Investors Limited	■		Ireland		S	87.5	87.5	70.0	70.0
LCL Emissions	■		France		S	100.0	100.0	70.0	70.0
NH-AMUNDI ASSET MANAGEMENT	▲		South Korea		A	30.0	30.0	21.0	21.0
Pioneer Global Investments (Taiwan) Ltd	■	S4	Taiwan		S		100.0		70.0
Pioneer Global Investments Ltd	■	S4	Ireland		S		100.0		70.0
Pioneer Global Investments Ltd Buenos Aires Branch	■		Argentina		B	100.0	100.0	69.9	70.0
Pioneer Global Investments Ltd Jelling Branch	■	S1	Denmark		B		100.0		70.0
Pioneer Global Investments Ltd London Branch	■	S4	United Kingdom		B		100.0		70.0
Pioneer Global Investments Ltd Madrid Branch	■	S4	Spain		B		100.0		70.0
Pioneer Global Investments Ltd Mexico city Branch	■		Mexico		B	100.0	100.0	69.9	70.0
Pioneer Global Investments Ltd Paris Branch	■	S1	France		B		100.0		70.0
Pioneer Global Investments Ltd Santiago Branch	■	S1	Chile		B		100.0		70.0
Société Générale Gestion (S2G)	■		France		S	100.0	100.0	70.0	70.0
State Bank of India Fund Management	▲		India		A	37.0	37.0	25.9	25.9
TOBAM	▲	S2	France		A		4.1		14.0
TOBAM HOLDING COMPANY	▲	S2	France		A		25.6		17.9
Vanderbilt Capital Advisors LLC	■		United States		S	100.0	100.0	70.0	70.0
WAFA Gestion	▲		Morocco		A	34.0	34.0	23.8	23.8
Investment companies									
CA Indosuez Wealth (Brazil) S.A. DTVM	■		Brazil		S	100.0	100.0	100.0	100.0

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
CA Indosuez Wealth (Group)	■		France		S	100.0	100.0	100.0	100.0
CFM Indosuez Conseil en Investissement	■		France		S	70.2	70.1	69.0	69.0
CFM Indosuez Conseil en Investissement, Succursale de Nouméa	■		France		B	70.2	70.1	69.0	69.0
CFM Indosuez Gestion	■		Monaco		S	70.2	70.1	67.6	67.6
Insurance									
ASSUR&ME	■		France		CSE	100.0	100.0	100.0	100.0
CA Assicurazioni	■		Italy		S	100.0	100.0	100.0	100.0
CACI DANNI[1]	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CACI LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON LIFE LIMITED	■		Ireland		S	100.0	100.0	100.0	100.0
CACI NON VIE[1]	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI Reinsurance Ltd	■		Ireland		S	100.0	100.0	100.0	100.0
CACI VIE[1]	■		France	Ireland	B	100.0	100.0	100.0	100.0
CACI VITA[1]	■		Italy	Ireland	B	100.0	100.0	100.0	100.0
CALIE Europe Succursale France[1]	■		France	Luxembourg	B	100.0	100.0	100.0	100.0
CALIE Europe Succursale Pologne[1]	■		Poland	Luxembourg	B	100.0	100.0	100.0	100.0
Crédit Agricole Assurances (CAA)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Creditor Insurance (CACI)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Life	■		Greece		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Company Japan Ltd	■		Japan		S	100.0	100.0	100.0	100.0
Crédit Agricole Life Insurance Europe	■		Luxembourg		S	94.1	100.0	94.1	100.0
Crédit Agricole Vita S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0
Finaref Risques Divers	■		France		S	100.0	100.0	100.0	100.0
Finaref Vie	■		France		S	100.0	100.0	100.0	100.0
GNB SEGUROS	■		Portugal		S	75.0	75.0	75.0	75.0
Médicale de France	■		France		S	100.0	100.0	100.0	100.0
Pacifica	■		France		S	100.0	100.0	100.0	100.0
Predica	■		France		S	100.0	100.0	100.0	100.0
Predica – Prévoyance Dialogue du Crédit Agricole[1]	■		Spain		B	100.0	100.0	100.0	100.0
Space Holding (Ireland) Limited	■		Ireland		S	100.0	100.0	100.0	100.0
Space Lux	■		Luxembourg		S	100.0	100.0	100.0	100.0
Spirica	■		France		S	100.0	100.0	100.0	100.0
UCITS									
ACACIA	■	S1	France		CSE		100.0		70.0
ACAJOU	■		France		CSE	100.0	100.0	70.0	70.0
AGRICOLE RIVAGE DETTE[1]	■		France		CSE	100.0	100.0	100.0	100.0
AM DESE FIII DS3IMDI[1]	■		France		CSE	100.0	100.0	100.0	100.0
AMUNDI GRD 24 FCP[1]	■		France		CSE	100.0	100.0	100.0	100.0
AMUNDI PE Solution Alpha	■		France		CSE	100.0	100.0	70.0	70.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
APLEGROSENIEUHD[1]	■	E1	Luxembourg		CSE	50.9		50.9	
ARTEMID[1]	■		France		CSE	100.0	100.0	100.0	100.0
BFT CRÉDIT OPPORTUNITÉS -I-C[1]	■	E1	France		CSE	100.0		100.0	
BFT Opportunité[1]	■		France		CSE	100.0	100.0	100.0	100.0
BFT VALUE PREM OP CD[1]	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA INFRASTRUCTURE CHOICE FIPS c.I.A.[1]	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA PRIVATE DEBT CHOICE FIPS cl.A[1]	■		France		CSE	100.0	100.0	100.0	100.0
CA VITA PRIVATE EQUITY CHOICE[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 COMPARTIMENT 5 A5[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR B1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR C1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013 FCPR D1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-2[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2013-3[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 COMPARTIMENT 1 PART A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2014 INVESTISSMENT PART A3[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2015 COMPARTIMENT 1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2015 COMPARTIMENT 2[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA 2016[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA INFRASTRUCTURE[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA INFRASTRUCTURE 2017[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA INFRASTRUCTURE 2018 – COMPARTIMENT 1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA INFRASTRUCTURE 2019[1]	■	E2	France		CSE	100.0		100.0	
CAA PR FI II C1 A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIV.FINANC. COMP.1 A1 FIC[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIV.FINANC. COMP.2 A2 FIC[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017 BIS[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017 FRANCE INVESTISSEMENT[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017 MEZZANINE[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2017 TER[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2018 – COMPARTIMENT 1[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2018 – COMPARTIMENT FRANCE INVESTISSEMENT[1]	■		France		CSE	100.0	100.0	100.0	100.0
CAA PRIVATE EQUITY 2019 COMPARTIMENT 1[1]	■	E2	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2019 COMPARTIMENT BIS[1]	■	E2	France		CSE	100.0		100.0	
CAA PRIVATE EQUITY 2019 COMPARTIMENT TER[1]	■	E2	France		CSE	100.0		100.0	
CAA SECONDAIRE IV[1]	■		France		CSE	100.0	100.0	100.0	100.0
CA-EDRAM OPPORTUNITES FCP 3DEC[1]	■	S1	France		CSE	100.0	100.0	100.0	100.0
CAREPTA R 2016[1]	■		France		CSE	100.0	100.0	100.0	100.0
CEDAR	■		France		CSE	100.0	100.0	70.0	70.0
Choral Allocation	■		France		CSE	99.7	99.7	69.8	69.8
CNP ACP 10 FCP[1]	■	D2	France		CSE	100.0	56.9	100.0	50.2
CNP ACP OBLIG[1]	▲	S2	France		SJV		45.4		50.2
COMPARTIMENT DS3 – IMMOBILIER VAUGIRARD[1]	■		France		CSE	100.0	100.0	100.0	100.0
COMPARTIMENT DS3 – VAUGIRARD[1]	■		France		CSE	100.0	100.0	100.0	100.0
CORSAIR 1.52% 25/10/38[1]	■		Luxembourg		CSE	100.0	100.0	100.0	100.0
CORSAIR 1.5255% 25/04/35[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
CORSAIRE FINANCE IRELAND 0.83% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
CORSAIRE FINANCE IRELAND 1.24% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
CORSAIRE FINANCE IRELANDE 0.7% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
EFFITHERMIE FPCI[1]	■		France		CSE	100.0	89.1	100.0	89.1
FCPR CAA 2013[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMP TER PART A3[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPART BIS PART A2[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA COMPARTIMENT 1 PART A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR CAA France croissance 2 A[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2007 A[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2007 C2[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A2[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA 2008 A3[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRE I A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRE I A2[1]	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
FCPR PREDICA SECONDAIRES II A[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR PREDICA SECONDAIRES II B[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR Roosevelt Investissements[1]	■	S1	France		CSE		100.0		100.0
FCPR UI CAP AGRO[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCPR UI CAP SANTE A[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT BRIDGE 2016-1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAA – Compartment 2017-1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA – COMPARTIMENT 2014-1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA – COMPARTIMENT 2014-2[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA – COMPARTIMENT RE-2016-1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA – RE 2015 -1[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT CAREPTA 2-2016[1]	■		France		CSE	100.0	100.0	100.0	100.0
FCT MID CAP 2 05/12/22[1]	■		France		CSE	100.0	100.0	100.0	100.0
FDA 18 FCP 2 DEC[1]	■	E1	France		CSE	100.0		100.0	
FDC A3 P[1]	■	E1	France		CSE	100.0		100.0	
FEDERIS CORE EU CR 19 MM[1]	■		France		CSE	43.7	43.6	43.7	43.6
Federval[1]	■		France		CSE	97.9	100.0	97.9	100.0
FPCI Cogeneration France I[1]	■		France		CSE	100.0	100.0	100.0	100.0
FR0010671958 PREDIQUANT A5[1]	■	E1	France		CSE	100.0		100.0	
GRD 44[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD 44 N°3[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD 44 N2[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD 44 N4 PART CD[1]	■	E1	France		CSE	100.0		100.0	
GRD 44 N5[1]	■	E1	France		CSE	100.0		100.0	
GRD 54[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD02[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD03[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD05[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD07[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD08[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD09[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD10[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD11[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD12[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD13[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD14[1]	■		France		CSE	97.8	100.0	97.8	100.0
GRD17[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD18[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD19[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD20[1]	■		France		CSE	100.0	100.0	100.0	100.0
GRD21[1]	■		France		CSE	100.0	100.0	100.0	100.0
IAA CROISSANCE INTERNATIONALE[1]	■		France		CSE	100.0	100.0	100.0	100.0
LF PRE ZCP 12 99 LIB[1]	■	E1	France		CSE	100.0		100.0	
Londres Croissance C16	■		France		CSE	100.0	100.0	70.0	70.0
LRP – CPT JANVIER 2013 0.30 13-21 11/01A[1]	■		Luxembourg		CSE	84.2	100.0	84.2	100.0
OBJECTIF LONG TERME FCP[1]	■		France		CSE	100.0	100.0	100.0	100.0
OPCI GHD SPPICAV PROFESSIONNELLE[1]	■	E1	France		CSE	90.0		90.0	
Peg – Portfolio Eonia Garanti	■		France		CSE	97.2	97.2	68.0	67.8
Predica 2005 FCPR A[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predica 2006 FCPR A[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predica 2006-2007 FCPR[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A1[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A2[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA 2010 A3[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREDICA SECONDAIRES III[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A1 FCP[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A2 FCP[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predicant A3 FCP[1]	■		France		CSE	100.0	100.0	100.0	100.0
Prediquant Eurocroissance A2[1]	■		France		CSE	100.0	100.0	100.0	100.0
Prediquant opportunité[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREDIQUANT PREMIUM[1]	■		France		CSE	100.0	100.0	100.0	100.0
PREMIUM GR 0% 28[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 0.508% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 0.63% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 1.24% 25/04/35[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 1.531% 25-04-35[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 1.55% 25-07-40[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.52% 06-21 EMTN[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.54% 06-13.06.21[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.5575% 21 EMTN[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.56% 06-21[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.7% EMTN 08/08/21[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN 4.72% 12-250927[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN PLC 1.095% 25-10-38[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN PLC 4.30% 2021[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 06/22[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07/22[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 07-22[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
PREMIUM GREEN TV 22[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV 26/07/22[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV2027[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN TV23/05/2022 EMTN[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PREMIUM GREEN4.33% 06-29/10/21[1]	■		Ireland		CSE	100.0	100.0	100.0	100.0
PurpleProtAsset 1,36% 25/10/2038[1]	■		Luxembourg		CSE	100.0	100.0	100.0	100.0
PurpleProtAsset 1.093% 20/10/2038[1]	■		Luxembourg		CSE	100.0	100.0	100.0	100.0
RED CEDAR	■		France		CSE	100.0	100.0	69.9	70.0
UI CAP SANTÉ 2[1]	■		France		CSE	100.0	100.0	100.0	100.0
Unit-linked funds (Fonds UC)									
58 United-linked funds with a detention rate equal or above 95%	■		France		CSE	> 95%	> 95%	> 95%	> 95%
A FD EQ E CON AE(C)[1]	■		Luxembourg		CSE	58.3	54.3	58.3	54.3
0057514 AUC[1]	■	E1	Luxembourg		CSE	58.1		58.1	
5922 AEURHC[1]	■	E1	Luxembourg		CSE	51.6		51.6	
78752 AEURHC[1]	■	E1	Luxembourg		CSE	40.2		40.2	
A FD EQ E FOC AE (C)[1]	■		Luxembourg		CSE	76.3	61.3	76.3	61.3
ACTICCIA VIE[1]	■		France		CSE	99.1	99.0	99.1	99.0
ACTICCIA VIE 3[1]	■		France		CSE	99.4	99.2	99.4	99.2
ACTICCIA VIE 90 C[1]	■		France		CSE	100.0	99.9	100.0	99.9
ACTICCIA VIE 90 N2[1]	■		France		CSE	100.0	99.9	100.0	99.9
ACTICCIA VIE 90 N3 C[1]	■		France		CSE	100.0	99.9	100.0	99.9
ACTICCIA VIE 90 N4[1]	■		France		CSE	99.9	99.7	99.9	99.7
ACTICCIA VIE 90 N6 C[1]	■		France		CSE	99.9	99.9	99.9	99.9
ACTICCIA VIE N2 C[1]	■		France		CSE	99.3	99.2	99.3	99.2
ACTICCIA VIE N4[1]	■		France		CSE	99.7	99.6	99.7	99.6
ACTIONS 50 3DEC[1]	■		France		CSE	100.0	99.6	100.0	99.6
AF BD GLO EM LOC CUR[1]	■	E1; S1	Luxembourg		CSE				
AF EQUI.GLOB.AHE CAP[1]	■	S1	Luxembourg		CSE		52.2		52.2
AF INDEX EQ JAPAN AE CAP[1]	■		Luxembourg		CSE	17.7	20.7	17.7	20.7
AF INDEX EQ USA A4E[1]	■		Luxembourg		CSE	70.2	91.1	70.2	91.1
AFCPRGLLIFEAEC[1]	■	E1	Luxembourg		CSE	47.3		47.3	
AIMSCIWOAE[1]	■	E1	Luxembourg		CSE	30.9		30.9	
AM AC FR ISR PC 3D[1]	■		France		CSE	58.1	62.7	58.1	62.7
AM FD II EUEQV AC[1]	■	E1; S1	Luxembourg		CSE				
AM.AC.EU.ISR-P-3D[1]	■	E1	France		CSE	44.0		44.0	
AM.AC. MINER.-P-3D[1]	■		France		CSE	73.7	49.5	73.7	49.5
AM.AC.USA ISR P 3D[1]	■	E1	France		CSE	54.5		54.5	

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
AM.ACT. EMER.-P-3D[1]	■	E1	France		CSE	43.4		43.4	
AM.RDT PLUS -P-3D[1]	■	E1	France		CSE	41.3		41.3	
AMU-AB RET MS-EEUR[1]	■	S1	Luxembourg		CSE		59.4		59.4
AMUN TRESO CT PC 3D[1]	■		France		CSE	85.8	64.7	85.8	64.7
AMUN.ACT. REST.P-C[1]	■		France		CSE	70.7	52.7	70.7	52.7
AMUN.TRES.EONIA ISR E FCP 3DEC[1]	■		France		CSE	85.2	61.3	85.2	61.3
AMUNDI AC.FONC.PC 3D[1]	■	E1	France		CSE	56.3		56.3	
AMUNDI ACTIONS FRANCE C 3DEC[1]	■		France		CSE	56.6	68.2	56.6	68.2
AMUNDI AFD AV DURABL P1 FCP 3DEC[1]	■		France		CSE	78.4	78.7	78.4	78.7
AMUNDI ALLOCATION C[1]	■		France		CSE	97.7	100.0	97.7	100.0
AMUNDI B GL AGG AEC[1]	■	E1	Luxembourg		CSE	55.3		55.3	
AMUNDI BGEB AEC[1]	■	E1	Luxembourg		CSE	43.7		43.7	
AMUNDI EQ E IN AHEC[1]	■		Luxembourg		CSE	37.4	29.5	37.4	29.5
AMUNDI GBL MACRO MULTI ASSET P[1]	■		France		CSE	69.6	68.3	69.6	68.3
AMUNDI GLB MUL-ASSET-M2EURC[1]	■	E1	Luxembourg		CSE	67.9		67.9	
AMUNDI GLO M/A CONS-M2 EUR C[1]	■	E1	Luxembourg		CSE	66.0		66.0	
AMUNDI HORIZON 3D[1]	■		France		CSE	66.0	65.9	66.0	65.9
AMUNDI KBI ACTION PC[1]	■		France		CSE	87.4	87.2	87.4	87.2
AMUNDI KBI ACTIONS C[1]	■		France		CSE	25.2	85.8	25.2	50.8
AMUNDI OBLIG EURO C[1]	■		France		CSE	48.5	47.7	48.5	47.7
AMUNDI PATRIMOINE C 3DEC[1]	■		France		CSE	85.5	84.2	85.5	84.2
AMUNDI PULSACTIONS[1]	■		France		CSE	57.6	57.6	57.6	57.6
AMUNDI SONANCE VIE 7 3DEC[1]	■		France		CSE	97.4	97.3	97.4	97.3
AMUNDI SONANCE VIE N8 3DEC[1]	■		France		CSE	98.7	98.6	98.7	98.6
AMUNDI TRANSM PAT C[1]	■		France		CSE	98.1	97.9	98.1	97.9
AMUNDI VALEURS DURAB[1]	■		France		CSE	67.9	70.7	67.9	70.7
AMUNDI-CSH IN-PC[1]	■		France		CSE	76.0	95.8	76.0	95.8
AMUNDI-EUR EQ GREEN IM-IEURC[1]	■	E1	Luxembourg		CSE	80.2		80.2	
AMUNDI-GL INFLAT BD-MEURC[1]	■	E1	Luxembourg		CSE	60.4		60.4	
AMUNDIOBLIG-MONDEP[1]	■		France		CSE	68.3	50.3	68.3	50.3
AMUNDI-VOLATILITY WRLD-IUSDC[1]	■	E1	Luxembourg		CSE	69.7		69.7	
AMUNDI-VOLATILITY WRLD-OUSDC[1]	■	E1	Luxembourg		CSE	64.5		64.5	
ANTINEA FCP[1]	■		France		CSE	55.2	52.5	55.2	52.5
ARC FLEXIBOND-D[1]	■		France		CSE	49.6	52.8	49.6	52.8
ATOUT EUROPE C FCP 3DEC[1]	■		France		CSE	82.4	82.1	82.4	82.1

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
ATOUT FRANCE C FCP 3DEC(1)	■		France		CSE	41.9	42.1	41.9	42.1
ATOUT PREM S ACTIONS 3DEC(1)	■		France		CSE	100.0	99.4	100.0	99.4
ATOUT VERT HORIZON FCP 3 DEC(1)	■		France		CSE	35.2	35.3	35.2	35.3
AXA EUR.SM.CAP E 3D(1)	■		France		CSE	82.4	71.1	82.4	71.1
BA-FII EUR EQ O-GEUR(1)	■	E1	Luxembourg		CSE	50.7		50.7	
BFT FRAN FUT-C SI.3D(1)	■		France		CSE	49.2	48.1	49.2	48.1
BFT SEL RDT 23 PC(1)	■		France		CSE	100.0	100.0	100.0	100.0
BFT STATERE P (C)(1)	■		France		CSE	43.6	48.0	43.6	48.0
BNP PAR.CRED. ERSC(1)	■		France		CSE	60.8	67.3	60.8	67.3
CA MASTER EUROPE(1)	■		France		CSE	46.6	47.3	46.6	47.3
CA MASTER PATRIMOINE FCP 3DEC(1)	■		France		CSE	98.5	98.3	98.5	98.3
CADEISDA 2DEC(1)	■	E1	France		CSE	40.0		40.0	
CHORELIA N2 PART C(1)	■	E1	France		CSE	87.8		87.8	
CHORELIA N3 PART C(1)	■	E1	Luxembourg		CSE	86.5		86.5	
CHORELIA N4 PART C(1)	■	E1	France		CSE	88.6		88.6	
CHORELIA N5 PART C(1)	■	E1	France		CSE	77.9		77.9	
CHORELIA N6 PART C(1)	■	E1	France		CSE	58.9		58.9	
CHORELIA PART C(1)	■	E1	France		CSE	85.2		85.2	
CPR CONSO ACTIONNAIRE FCP P(1)	■		France		CSE	51.8	52.0	51.8	52.0
CPR CROIS.REA.-P(1)	■		France		CSE	39.1	38.5	39.1	38.5
CPR EUR.HI.DIV.P 3D(1)	■	E1	France		CSE	43.2		43.2	
CPR FOCUS INF.-P-3D(1)	■		France		CSE	19.6	63.3	19.6	63.3
CPR GLO SILVER AGE P(1)	■		France		CSE	96.9	98.1	96.9	98.1
CPR I-SM B C-AEURA(1)	■	E1	Luxembourg		CSE	61.1		61.1	
CPR OBLIG 12 M.P 3D(1)	■		France		CSE	90.5	89.1	90.5	89.1
CPR REF. ST.EP.R.0-100 FCP 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
CPR REFL RESP 0-100 I 3DEC(1)	■		France		CSE	97.0	97.1	97.0	97.1
CPR REFL. RESP.0-100 P FCP 3DEC(1)	■		France		CSE	85.6	85.6	85.6	85.6
CPR REFLEX STRATEDIS 0-100 P 3D(1)	■		France		CSE	99.8	100.0	99.8	100.0
CPR RENAI. JAP.-P-3D(1)	■		France		CSE	66.1	59.2	66.1	59.2
CPR SILVER AGE P 3DEC(1)	■		France		CSE	52.6	50.2	52.6	50.2
CPR-CLIM ACT-AEURA(1)	■	E1	Luxembourg		CSE	53.3		53.3	
CPRGLODISOPARAC(1)	■	E1	Luxembourg		CSE	47.0		47.0	
DNA 0% 21/12/20 EMTN(1)	■	S2	Luxembourg		CSE		71.1		71.1

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
ECOFI MULTI OPPORTUN.FCP 3DEC(1)	■		France		CSE	83.3	83.7	83.3	83.7
EPARINTER EURO BD(1)	■	E1	France		CSE	44.7		44.7	
EXAN.PLEI.FD P(1)	■		France		CSE	4.2	61.6	4.2	61.6
EXANE 1 OVERDR CC(1)	■	E1	Luxembourg		CSE	63.8		63.8	
EXPAN.VIE 2 FCP 3D(1)	■	S2	France		CSE		99.5		99.5
EXPANSIA VIE 3 FCP(1)	■	S2	France		CSE		99.4		99.4
EXPANSIA VIE 4 FCP(1)	■	S1	France		CSE		100.0		100.0
FE AMUNDI INC BLDR-IHE C(1)	■	E1	Luxembourg		CSE	77.8		77.8	
FONDS AV ECHUS FIA A(1)	■	E1	France		CSE	0.2		0.2	
FONDS AV ECHUS FIA B(1)	■	E1	France		CSE	100.0		100.0	
FRANKLIN DIVER-DYN-I ACC EU(1)	■	E1	Luxembourg		CSE	50.1		50.1	
FRANKLIN GLB MLT-AS IN-IAEUR(1)	■	E1	Luxembourg		CSE	75.1		75.1	
GRD CAR 39 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
GRD FCR 99 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
GRD IFC 97 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
HASTINGS PATRIM AC(1)	■	E1	France		CSE	41.0		41.0	
HYMNOS P 3D(1)	■	E1	France		CSE	46.5		46.5	
IGSF-GBL GOLD FD-I C(1)	■	E1	Luxembourg		CSE	46.3		46.3	
IND.CAP EMERG.-C-3D(1)	■		France		CSE	80.6	80.6	80.6	80.6
INDO ALLOC MANDAT C(1)	■		France		CSE	2.0	93.7	2.0	93.7
INDO-FII EUR CP-IEUR(1)	■	E1	Luxembourg		CSE	51.7		51.7	
INDO-GBL TR-PE(1)	■	E1	Luxembourg		CSE	41.0		41.0	
INDOS.EURO.PAT.PD 3D(1)	■		France		CSE	43.1	44.3	43.1	44.3
INDOSUEZ ALLOCATION(1)	■		France		CSE	81.6	99.9	81.6	99.9
INDOSUEZ EURO DIV G(1)	■	E1	Luxembourg		CSE	75.8		75.8	
INDOSUEZ NAVIGATOR G(1)	■	E1	Luxembourg		CSE	40.9		40.9	
INDOSUEZSWZOPG(1)	■	E1	Luxembourg		CSE	50.8		50.8	
INVEST RESP S3 3D(1)	■		France		CSE	74.1	69.8	74.1	69.8
JPM US EQY ALL CAP-C HDG(1)	■	E1	Luxembourg		CSE	88.9		88.9	
JPM US SEL EQ PLS-CA EUR HD(1)	■	E1	Luxembourg		CSE	57.0		57.0	
JPMORGAN F-JPM US VALUE-CEHA(1)	■	E1	Luxembourg		CSE	59.3		59.3	
JPMORGAN F-US GROWTH-C AHD(1)	■	E1	Luxembourg		CSE	49.4		49.4	
LCF CREDIT ERSC 3D(1)	■	E1	France		CSE	54.7		54.7	
LCL 3 TEMPO AV 11/16(1)	■		France		CSE	100.0	99.8	100.0	99.8
LCL 6 HORIZ. AV 0615(1)	■		France		CSE	100.0	99.9	100.0	99.9
LCL AC.DEV.DU. EURO(1)	■		France		CSE	71.3	69.5	71.3	69.5
LCL AC.EMERGENTS 3D(1)	■		France		CSE	54.2	54.6	54.2	54.6

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
LCL AC.MDE HS EU.3D(1)	■	E1	France		CSE	41.2		41.2	
LCL ACT RES NATUREL(1)	■		France		CSE	45.3	38.9	45.3	38.9
LCL ACT.E-U ISR 3D(1)	■		France		CSE	55.5	54.7	55.5	54.7
LCL ACT.IMMOBI.3D(1)	■		France		CSE	49.3	49.2	49.3	49.2
LCL ACT.OR MONDE(1)	■	E1	France		CSE	46.8		46.8	
LCL ACT.USA ISR 3D(1)	■		France		CSE	85.6	53.2	85.6	53.2
LCL ACTIONS EURO C(1)	■		France		CSE	64.3	81.9	64.3	81.9
LCL ACTIONS EURO FUT(1)	■	E1	France		CSE	73.9		73.9	
LCL ACTIONS MONDE FCP 3 DEC(1)	■		France		CSE	51.6	42.4	51.6	42.4
LCL ALLOCATION DYNAMIQUE 3D FCP(1)	■		France		CSE	95.4	95.2	95.4	95.2
LCL AUTOCALL VIE 17(1)	■		France		CSE	96.6	90.3	96.6	90.3
LCL BDP MONET. A C(1)	■	S1	France		CSE		99.0		99.0
LCL BDP MONETARISES(1)	■	S2	France		CSE		98.9		98.9
LCL DEVELOPPEM. PME C(1)	■		France		CSE	68.5	69.5	68.5	69.5
LCL DOUBLE HORIZON A(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL DOUBLE HORIZON AV (NOV.2014)(1)	■	S1	France		CSE		100.0		100.0
LCL FLEX 30(1)	■		France		CSE	45.7	51.1	45.7	51.1
LCL FO.SE.FR. AV\AV11) FCP 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL FOR S F AV (FEV11) 3DEC(1)	■	S1	France		CSE		100.0		100.0
LCL FOR SEC AV SEPT10 3DEC(1)	■	S2	France		CSE		99.1		99.1
LCL INVEST.EQ C(1)	■		France		CSE	92.9	92.2	92.9	92.2
LCL INVEST. PRUD.3D(1)	■		France		CSE	92.1	91.4	92.1	91.4
LCL L.GR.B.AV 17 C(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL MGEST 60 3DEC(1)	■		France		CSE	87.9	84.9	87.9	84.9
LCL MGEST FL.0-100(1)	■		France		CSE	92.0	80.0	92.0	80.0
LCL OBL.CREDIT EURO(1)	■	E1	France		CSE	81.4		81.4	
LCL OPTIM II VIE 17(1)	■		France		CSE	97.4	94.7	97.4	94.7
LCL PREM VIE 2/4 C(1)	■	S1	France		CSE		95.3		95.3
LCL PREMIUM VIE 2015(1)	■		France		CSE	98.4	94.7	98.4	94.7
LCL TRI ESC AV 0118(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL TRIPLE TE AV OC(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL TRIPLE TEMPO AV (FEV.2015)(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL TRP HOZ AV 0117(1)	■		France		CSE	100.0	100.0	100.0	100.0
LCL VOCATION RENDEMENT NOV 12 3D(1)	■	S1	France		CSE		80.0		80.0
M.D.F.89 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
OBJECTIF DYNAMISME FCP(1)	■		France		CSE	98.5	98.7	98.5	98.7

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
OBJECTIF MEDIAN FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
OBJECTIF PRUDENCE FCP(1)	■		France		CSE	80.1	81.3	80.1	81.3
OPCIMMO LCL SPPICAV 5DEC(1)	■		France		CSE	97.4	94.2	97.4	94.2
OPCIMMO PREM SPPICAV 5DEC(1)	■		France		CSE	94.7	93.5	94.7	93.5
OPTALIME FCP 3DEC(1)	■		France		CSE	99.6	99.4	99.6	99.4
PORT.METAUX PREC.A-C(1)	■	E1	France		CSE	100.0		100.0	
PORTF DET FI EUR AC(1)	■		France		CSE	99.8	99.8	99.8	99.8
RAVIE FCP 5DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
RETAH PART C(1)	■	E1	France		CSE	100.0		100.0	
RSD 2006 FCP 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
SCI VICQ D'AZIR VELLEFAUX(1)	■		France		CSE	100.0	100.0	100.0	100.0
SCPI LFP MULTIMMO(1)	■	E1	France		CSE	100.0		100.0	
SOLIDARITE AMUNDI P(1)	■		France		CSE	68.6	62.3	68.6	62.3
SOLIDARITÉ INITIATIS SANTÉ(1)	■		France		CSE	82.1	84.6	82.1	84.6
SONANCE VIE 2 FCP 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
SONANCE VIE 3 3DEC(1)	■		France		CSE	100.0	99.9	100.0	99.9
SONANCE VIE 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
SONANCE VIE 4 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
SONANCE VIE 5 FCP 3DEC(1)	■		France		CSE	100.0	100.0	100.0	100.0
SONANCE VIE 6 FCP(1)	■		France		CSE	100.0	100.0	100.0	100.0
SONANCE VIE 9(1)	■		France		CSE	98.1	98.0	98.1	98.0
TRIAN 6 ANS N10 C(1)	■	E1	France		CSE	63.2		63.2	
TRIANANCE 6 ANS(1)	■		France		CSE	61.8	61.8	61.8	61.8
TRIANANCE 6 ANS 5 C(1)	■		France		CSE	79.2	79.2	79.2	79.2
TRIANANCE 6 ANS N4(1)	■		France		CSE	74.7	74.6	74.7	74.6
TRIANANCE 6 ANS N9(1)	■	E1	France		CSE	79.9		79.9	
TRIANANCE 6 ANS N2 C(1)	■	E1	France		CSE	75.0		75.0	
TRIANANCE 6 ANS N3(1)	■	E1	France		CSE	70.7		70.7	
TRIANANCE 6 ANS N6(1)	■	E1	France		CSE	84.5		84.5	
TRIANANCE 6 ANS N7 C(1)	■	E1	France		CSE	82.2		82.2	
TRIANANCE 6 ANS N8 C(1)	■	E1	France		CSE	86.9		86.9	
UNIPIERRE ASSURANCE (SCPI)(1)	■		France		CSE	100.0	100.0	100.0	100.0
VENDOME INV.FCP 3DEC(1)	■		France		CSE	91.2	90.3	91.2	90.3
Real estate collective investment fund (OPCI)									
Nexus 1(1)	■		Italy		CSE	98.5	100.0	98.5	100.0
OPCI Camp Invest(1)	■		France		CSE	80.1	100.0	80.1	100.0
OPCI ECO CAMPUS SPPICAV(1)	■		France		CSE	100.0	100.0	100.0	100.0
OPCI Immanens	■		France		CSE	100.0	100.0	70.0	70.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
OPCI Immo Emissions	■		France		CSE	100.0	100.0	70.0	70.0
OPCI Iris Invest 2010[1]	■		France		CSE	80.1	100.0	80.1	100.0
OPCI MASSY BUREAUX[1]	■		France		CSE	100.0	100.0	100.0	100.0
OPCI Messidor[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Bureau[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Commerces[1]	■		France		CSE	100.0	100.0	100.0	100.0
Predica OPCI Habitation[1]	■		France		CSE	100.0	100.0	100.0	100.0
Non-trading real estate investment company (SCI)									
B IMMOBILIER[1]	■		France		S	100.0	100.0	100.0	100.0
DS Campus[1]	■		France		CSE	100.0	100.0	100.0	100.0
FREY RETAIL VILLEBON	▲		France		JV	47.5	47.5	47.5	47.5
HDP BUREAUX[1]	■		France		S	95.0	95.0	95.0	95.0
HDP HOTEL[1]	■		France		S	95.0	95.0	95.0	95.0
HDP LA HALLE BOCA[1]	■		France		S	95.0	95.0	95.0	95.0
IMEFA 177[1]	■		France		CSE	100.0	100.0	100.0	100.0
IMEFA 178[1]	■		France		CSE	100.0	100.0	100.0	100.0
IMEFA 179[1]	■		France		CSE	100.0	100.0	100.0	100.0
Issy Pont[1]	■		France		CSE	75.0	75.0	75.0	75.0
RUE DU BAC (SCI)	▲		France		JV	50.0	50.0	50.0	50.0
SCI 1 TERRASSE BELLINI	▲		France		JV	33.3	33.3	33.3	33.3
SCI BMEDIC HABITATION[1]	■		France		S	100.0	100.0	100.0	100.0
SCI CAMPUS MEDICIS SAINT-DENIS[1]	■		France		S	70.0	70.0	70.0	70.0
SCI CAMPUS RIMBAUD SAINT-DENIS[1]	■		France		S	70.0	70.0	70.0	70.0
SCI CARGO PROPERTY HOLDING	▲	S2	France		A		28.0		28.0
SCI CARPE DIEM	▲		France		JV	50.0	50.0	50.0	50.0
SCI EUROMARSEILLE 1	▲		France		JV	50.0	50.0	50.0	50.0
SCI EUROMARSEILLE 2	▲		France		JV	50.0	50.0	50.0	50.0
SCI FÉDÉRALE PÉREIRE VICTOIRE[1]	■		France		S	99.0	99.0	99.0	99.0
SCI FÉDÉRALE VILLIERS[1]	■		France		S	100.0	100.0	100.0	100.0
SCI FEDERLOG[1]	■		France		S	99.9	99.9	99.9	99.9
SCI FEDERLONDRES[1]	■		France		S	100.0	100.0	100.0	100.0
SCI FEDERPIERRE[1]	■		France		S	100.0	100.0	100.0	100.0
SCI FONDIS	▲		France		A	25.0	25.0	25.0	25.0
SCI GRENIER VELLEF[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI HEART OF LA DÉFENSE	▲		France		A	33.3	33.3	33.3	33.3
SCI Holding Dahlia[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI ILOT 13	▲		France		JV	50.0	50.0	50.0	50.0
SCI IMEFA 001[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 002[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 003[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 004[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 005[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 006[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 008[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 009[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 010[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 011[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 012[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 013[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 016[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 017[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 018[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 020[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 022[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 025[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 032[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 033[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 034[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 035[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 036[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 037[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 038[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 039[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 042[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 043[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 044[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 047[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 048[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 051[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 052[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 054[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 057[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 058[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 060[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 061[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 062[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 063[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 064[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 067[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 068[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 069[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 072[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 073[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 074[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 076[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 077[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 078[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 079[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 080[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 081[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 082[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 083[1]	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
SCI IMEFA 084[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 085[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 089[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 091[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 092[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 096[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 100[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 101[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 102[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 103[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 104[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 105[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 107[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 108[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 109[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 110[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 112[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 113[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 115[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 116[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 117[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 118[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 120[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 121[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 122[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 123[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 126[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 128[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 129[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 131[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 132[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 140[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 148[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 149[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 150[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 155[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 156[1]	■		France		S	90.0	90.0	90.0	90.0
SCI IMEFA 157[1]	■		France		S	90.0	90.0	90.0	90.0
SCI IMEFA 158[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 159[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 164[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 169[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 170[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 171[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 172[1]	■		France		CSE	100.0	100.0	100.0	100.0
SCI IMEFA 173[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 174[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 175[1]	■		France		S	100.0	100.0	100.0	100.0
SCI IMEFA 176[1]	■		France		S	100.0	100.0	100.0	100.0
SCI LE VILLAGE VICTOR HUGO[1]	■		France		S	100.0	100.0	100.0	100.0
SCI MEDI BUREAUX[1]	■		France		S	100.0	100.0	100.0	100.0

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
SCI PACIFICA HUGO[1]	■		France		S	100.0	100.0	100.0	100.0
SCI PORTE DES LILAS – FRÈRES FLAVIEN[1]	■		France		S	100.0	100.0	100.0	100.0
SCI VALHUBERT[1]	■		France		S	100.0	100.0	100.0	100.0
SCI VAUGIRARD 36-44[1]	■		France		S	100.0	100.0	100.0	100.0
SCI WAGRAM 22/30	▲		France		JV	50.0	50.0	50.0	50.0
SCI WASHINGTON	▲		France		A	34.0	34.0	34.0	34.0
TOUR MERLE (SCI)	▲		France		JV	50.0	50.0	50.0	50.0
Other									
ALTA VAI HOLDCO P	■	E1	France		S	100.0		100.0	
ALTAREA	▲		France		A	24.7	24.7	24.7	24.7
AMUNDI IT Services	■		France		S	99.6	99.6	71.0	71.0
ARCAPARK SAS	▲		France		JV	50.0	50.0	50.0	50.0
Azqore	■		Switzerland		S	80.0	80.0	80.0	80.0
Azqore S.A. Singapore Branch	■		Singapour	Switzerland	B	80.0	80.0	80.0	80.0
CA Indosuez Wealth (Asset Management)	■		Luxembourg		S	100.0	100.0	100.0	100.0
Crédit Agricole Assurances Solutions	■		France		S	100.0	100.0	100.0	100.0
EUROPEAN MOTORWAY INVESTMENTS 1[1]	■		Luxembourg		S	60.0	60.0	60.0	60.0
FONCIERE HYPERSUD	▲		France		JV	51.4	51.4	51.4	51.4
FREY	▲		France		A	19.3	19.2	19.3	19.2
HOLDING EUROMARSEILLE	■		France		S	100.0	100.0	100.0	100.0
Icade	▲		France		A	19.0	18.4	19.0	18.4
INFRA FOCH TOPCO	▲		France		A	36.9	36.9	36.9	36.9
IRIS HOLDING FRANCE	■		France		S	80.1	80.1	80.1	80.1
KORIAN	▲		France		A	24.4	23.2	24.4	23.2
PATRIMOINE ET COMMERCE	▲		France		A	20.3	20.3	20.3	20.3
PREDICA ÉNERGIES DURABLES[1]	■		France		S	99.9	100.0	99.9	100.0
PREDICA INFRASTRUCTURE S.A.	■	E1	Luxembourg		S	100.0		100.0	
PREDIPARK[1]	■		France		S	100.0	100.0	100.0	100.0
RAMSAY – GÉNÉRALE DE SANTÉ	▲		France		A	39.6	38.4	39.6	38.4
S.A. RESICO[1]	■		France		S	100.0	100.0	100.0	100.0
SAS CRISTAL	▲		France		A	46.0	46.0	46.0	46.0
SAS PARHOLDING	▲		France		A	50.0	50.0	50.0	50.0
SAS PREDI-RUNGIS[1]	■		France		S	85.0	85.0	85.0	85.0
SH PREDICA ÉNERGIES DURABLES SAS[1]	■		France		S	99.9	99.7	99.9	99.7
VAUGIRARD AUTOVIA SLU[1]	■	E1	Spain		S	100.0		100.0	
Vaugirard Infra S.L.	■	E1	Spain		S	100.0		100.0	
Via Vita	■		France		S	100.0	100.0	100.0	100.0
Specialised Financial Services									
Banking and financial institutions									
Agos	■		Italy		S	61.0	61.0	61.0	61.0
Alsolia	■		France		S	100.0	100.0	100.0	100.0
CACF BANKIA sa	▲	E2	Spain		JV	51.0		51.0	

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Crealfi	■		France		S	51.0	51.0	51.0	51.0
Credibom	■		Portugal		S	100.0	100.0	100.0	100.0
Crediet Maatschappij "De Ijssel" B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Consumer Finance Nederland	■		Netherlands		S	100.0	100.0	100.0	100.0
Crédit LIFT	■		France		S	100.0	100.0	100.0	100.0
Creditplus Bank AG	■		Germany		S	100.0	100.0	100.0	100.0
De Kredietdesk B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
DE NEDERLANDSE VOORSCHOTBANK BV	■		Netherlands		S	100.0	100.0	100.0	100.0
EFL Services	■		Poland		S	100.0	100.0	100.0	100.0
EUROFACTOR GmbH	■		Germany		S	100.0	100.0	100.0	100.0
Eurofactor Italia S.p.A.	■		Italy		S	100.0	100.0	100.0	100.0
EUROFACTOR NEDERLAND	■		Pays-bas	Germany	B	100.0	100.0	100.0	100.0
EUROFACTOR POLSKA S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Eurofactor S.A. – NV (Benelux)	■		Belgium		B	100.0	100.0	100.0	100.0
Eurofactor S.A. (Portugal)	■		Portugal		S	100.0	100.0	100.0	100.0
Eurofintus Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
FCA Automotive Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA Bank	▲		Italy		JV	50.0	50.0	50.0	50.0
FCA Bank GmbH, Hellenic Branch	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA BANK SPA, IRISH BRANCH	▲		Ireland		JV	50.0	50.0	50.0	50.0
FCA Bank Germany GmbH	▲		Germany		JV	50.0	50.0	50.0	50.0
FCA Bank GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FCA Capital Belgium S.A.	▲		Belgium		JV	50.0	50.0	50.0	50.0
FCA Capital Danmark A/S	▲		Denmark		JV	50.0	50.0	50.0	50.0
FCA Capital España EFC S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Capital France S.A.	▲		France		JV	50.0	50.0	50.0	50.0
FCA Capital Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Capital IFIC	▲		Portugal		JV	50.0	50.0	50.0	50.0
FCA Capital Nederland B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
FCA Capital Norge AS	▲		Norway		JV	50.0	50.0	50.0	50.0
FCA Capital Re Limited	▲		Ireland		JV	50.0	50.0	50.0	50.0
FCA Capital Suisse S.A.	▲		Switzerland		JV	50.0	50.0	50.0	50.0
FCA Capital Sverige	▲		Sweden		JV	50.0	50.0	50.0	50.0
FCA DEALER SERVICES ESPANA S.A., Morocco Branch	▲		Morocco	Spain	JV	50.0	50.0	50.0	50.0
FCA Dealer services España, S.A.	▲		Spain		JV	50.0	50.0	50.0	50.0
FCA Dealer Services Portugal S.A.	▲		Portugal		JV	50.0	50.0	50.0	50.0
FCA Dealer Services UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
FCA GROUP BANK POLSKA S.A.	▲		Poland		JV	50.0	50.0	50.0	50.0
FCA Insurance Hellas S.A.	▲		Greece		JV	50.0	50.0	50.0	50.0
FCA Leasing France	▲		France		JV	50.0	50.0	50.0	50.0
FCA Leasing Polska	▲		Poland		JV	50.0	50.0	50.0	50.0
FCA Leasing GmbH	▲		Austria		JV	50.0	50.0	50.0	50.0
FERRARI FINANCIAL SERVICES GMBH	▲		Germany		JV	50.0	50.0	25.0	25.5
FERRARI FINANCIAL SERVICES GMBH, UK Branch	▲		United Kingdom		JV	50.0	50.0	50.0	25.5
FGA Capital Danmark A/S, Finland Branch	▲		Finland		JV	50.0	50.0	50.0	50.0
Financierings Data Netwerk B.V.	▲		Netherlands		JV	50.0	50.0	50.0	50.0
Finaref Assurances S.A.S.	■		France		S	100.0	100.0	100.0	100.0
Finata Zuid-Nederland B.V.	■		Netherlands		S	98.1	98.1	98.1	98.1
GAC – Sofinco Auto Finance Co.	▲		China		A	50.0	50.0	50.0	50.0
GSA Ltd	■		Mauritius		S	100.0	100.0	100.0	100.0
IDM Finance B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
IDM lease maatschappij B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Iebe Lease B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
INTERBANK NV	■		Netherlands		S	100.0	100.0	100.0	100.0
INTERMEDIAIRE VOORSCHOTBANK BV	■		Netherlands		S	100.0	100.0	100.0	100.0
Krediet '78 B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Leasys	▲		Italy		JV	50.0	50.0	50.0	50.0
LEASYS France S.A.S	▲		France		JV	50.0	50.0	50.0	50.0
LEASYS Nederland	▲		Netherlands		JV	50.0	50.0	50.0	50.0
LEASYS SPA Belgian Branch	▲		Belgium		JV	50.0	50.0	50.0	50.0
LEASYS SPA GERMAN BRANCH	▲		Germany		JV	50.0	50.0	50.0	50.0
LEASYS SPA SUCURSAL ESPANA	▲		Spain		JV	50.0	50.0	50.0	50.0
Leasys UK Ltd	▲		United Kingdom		JV	50.0	50.0	50.0	50.0
Mahuko Financieringen B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Menafinance	▲		France		JV	50.0	50.0	50.0	50.0
Money Care B.V.	■	S4	Netherlands		S		100.0		100.0
NL Findio B.V	■		Netherlands		S	100.0	100.0	100.0	100.0
RIBANK NV	■		Netherlands		S	100.0	100.0	100.0	100.0
Sofinco Participations	■		France		S	100.0	100.0	100.0	100.0
Société Européenne de Développement d'Assurances	■		France		S	100.0	100.0	100.0	100.0
Société Européenne de Développement d'Assurances, Succursale du Maroc	■		Morocco		B	100.0	100.0	100.0	100.0
Société Européenne de Développement du Financement	■		France		S	100.0	100.0	100.0	100.0
Themis Courtage	▲		Morocco		A	49.0	49.0	48.9	49.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Ucafleet	▲		France		A	35.0	35.0	35.0	35.0
VoordeelBank B.V.	■		Netherlands		S	100.0	100.0	100.0	100.0
Wafasalaf	▲		Morocco		A	49.0	49.0	49.0	49.0
WINRENT	▲		Italy		JV	50.0	50.0	50.0	50.0
Lease financing companies									
Auxifip	■		France		S	100.0	100.0	100.0	100.0
Carefleet S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing & Factoring	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing & Factoring, Sucursal en Espana	■		Spain	France	B	100.0	100.0	100.0	100.0
Crédit du Maroc Leasing et Factoring	■		Morocco		S	100.0	100.0	85.8	85.8
Europejski Fundusz Leasingowy (E.F.L.)	■		Poland		S	100.0	100.0	100.0	100.0
Finamur	■		France		S	100.0	100.0	100.0	100.0
Lixxbail	■		France		S	100.0	100.0	100.0	100.0
Lixxcourtage	■		France		S	100.0	100.0	100.0	100.0
Lixxcredit	■		France		S	100.0	100.0	100.0	100.0
Unifergie	■		France		S	100.0	100.0	100.0	100.0
Investment companies									
Insurance									
ARES Reinsurance Ltd	■		Ireland		S	100.0	100.0	61.0	61.0
Other									
A-BEST ELEVEN UG	▲		Germany		SJV	50.0	50.0	50.0	50.0
A-BEST FIFTEEN	▲		Italy		SJV	50.0	50.0	50.0	50.0
A-BEST FOURTEEN	▲		Italy		SJV	50.0	50.0	50.0	50.0
A-BEST NINE SRL	▲	S1	Italy		SJV		50.0		50.0
A-BEST SEVENTEEN	▲	E2	Italy		SJV	50.0		50.0	
A-BEST SIXTEEN	▲	E2	Germany		SJV	50.0		50.0	
A-BEST Ten SRL	▲	S1	Italy		SJV		50.0		50.0
A-BEST THIRTEEN	▲		Spain		SJV	50.0	50.0	50.0	50.0
A-BEST TWELVE	▲		Italy		SJV	50.0	50.0	50.0	50.0
CLICKAR SRL	▲	E2	Italy		SJV	50.0		50.0	
EFL Finance S.A.	■		Poland		S	100.0	100.0	100.0	100.0
EFL Lease Abs 2017-1 Designated Activity Company	■		Ireland		CSE	100.0	100.0	100.0	100.0
ERASMUS FINANCE	▲		Ireland		SJV	50.0	50.0	50.0	50.0
FAST THREE SRL	▲		Italy		SJV	50.0	50.0	50.0	50.0
FCT GINGKO DEBT CONSO 2015-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT GINGKO PERSONAL LOANS 2016-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT GINGKO PLOANS 2015-1	■	S1	France		CSE		100.0		100.0
FCT GINGKO SALES FIN 2014-1	■	S1	France		CSE		100.0		100.0
FCT GINGKO SALES FINANCE 2015-1	■		France		CSE	100.0	100.0	100.0	100.0
FCT GINKGO MASTER REVOLVING LOANS	■		France		CSE	100.0	100.0	100.0	100.0
FCT GINKGO SALES FINANCE 2017-1	■		France		CSE	100.0	100.0	100.0	100.0
GAC – SOFINCO 2014-01	▲		China		SA	50.0	50.0	50.0	50.0

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
HUI JU TONG 2019-1	▲	E2	China		SJV	50.0		50.0	
MAGOI BV	■	E2	Netherlands		CSE	100.0		100.0	
MATSUBA BV	■		Netherlands		CSE	100.0	100.0	100.0	100.0
NIXES SEVEN SRL	▲		Netherlands		SJV	50.0	50.0	50.0	50.0
NIXES SIX (LTD)	▲		Italy		SJV	50.0	50.0	50.0	50.0
OCHIBA 2015 B.V	■	S1	Netherlands		CSE		100.0		100.0
RETAIL CONSUMER CP GERMANY 2016 UG	■		Germany		CSE	100.0	100.0	100.0	100.0
SUNRISE SPV 20 SRL	■		Italy		CSE	100.0	100.0	61.0	100.0
SUNRISE SPV 30 SRL	■		Italy		CSE	100.0	100.0	61.0	100.0
SUNRISE SPV 40 SRL	■		Italy		CSE	100.0	100.0	61.0	100.0
SUNRISE SPV 50 SRL	■		Italy		CSE	100.0	100.0	61.0	100.0
SUNRISE SPV Z60 SRL	■	E2	Italy		CSE	100.0		61.0	
SUNRISE SPV Z70 SRL	■	E2	Italy		CSE	100.0		61.0	
SUNRISE SPV Z80 SRL	■	E2	Italy		CSE	100.0		61.0	
SUNRISE SRL	■		Italy		CSE	100.0	100.0	61.0	100.0
THETIS FINANCE 2015-1	■		Portugal		CSE	100.0	100.0	100.0	100.0
Corporate and Investment Banking									
Banking and financial institutions									
Banco Crédit Agricole Brasil S.A.	■		Brazil		S	100.0	100.0	100.0	100.0
Banco S3 México, S.A.	▲	E3	Mexico		A	50.0		34.7	
BTN Förvaltning AB	▲	E3	Sweden	Netherlands	A	19.5		13.6	
CACEIS Bank	■		France		S	100.0	100.0	69.5	100.0
CACEIS Bank S.A., Germany Branch	■		Germany		B	100.0	100.0	69.5	100.0
CACEIS Bank, Belgium Branch	■		Belgium		B	100.0	100.0	69.5	100.0
CACEIS Bank, Ireland Branch	■		Ireland		B	100.0	100.0	69.5	100.0
CACEIS Bank, Italy Branch	■		Italy		B	100.0	100.0	69.5	100.0
CACEIS Bank, Luxembourg Branch	■		Luxembourg		B	100.0	100.0	69.5	100.0
CACEIS Bank, Netherlands Branch	■		Netherlands		B	100.0	100.0	69.5	100.0
CACEIS Bank, Switzerland Branch	■		Switzerland		B	100.0	100.0	69.5	100.0
CACEIS Bank, UK Branch	■		United Kingdom		B	100.0	100.0	69.5	100.0
CACEIS Belgium	■		Belgium		S	100.0	100.0	69.5	100.0
CACEIS Corporate Trust	■		France		S	100.0	100.0	69.5	100.0
CACEIS Fund Administration	■		France		S	100.0	100.0	69.5	100.0
CACEIS Ireland Limited	■		Ireland		S	100.0	100.0	69.5	100.0
CACEIS S.A.	■		France		S	69.5	100.0	69.5	100.0
CACEIS Switzerland S.A.	■		Switzerland		S	100.0	100.0	69.5	100.0
Crédit Agricole CIB (Belgique)	■		Belgium	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Abu Dhabi)	■		United Arab Emirates	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Allemagne)	■		Germany	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Canada)	■		Canada	France	B	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Crédit Agricole CIB (Corée du Sud)	■		South Korea	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Dubai DIFC)	■		United Arab Emirates	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Dubai)	■		United Arab Emirates	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Espagne)	■		Spain	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (États-Unis)	■		United States	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Finlande)	■		Finland	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Hong-Kong)	■		Hong Kong	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Inde)	■		India	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Italie)	■		Italy	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Japon)	■		Japan	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Luxembourg)	■	S1	Luxembourg	France	B		100.0		100.0
Crédit Agricole CIB (Miami)	■		United States	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Royaume-Uni)	■		United Kingdom	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Singapour)	■		Singapour	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Suède)	■		Sweden	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB (Taipei)	■		Taiwan	France	B	100.0	100.0	100.0	100.0
Crédit Agricole CIB Algérie Bank S.p..A.	■		Algeria		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB AO	■		Russia		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB Australia Ltd	■		Australia		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB China Ltd	■		China		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB China Ltd Chinese Branch	■		China		B	100.0	100.0	100.0	100.0
Crédit Agricole CIB S.A.	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB Services Private Ltd	■		India		S	100.0	100.0	100.0	100.0
UBAF (Corée du Sud)	▲		South Korea	France	B	47.0	47.0	47.0	47.0
Ester Finance Titrisation	■		France		S	100.0	100.0	100.0	100.0
KAS Bank N.V.	■	E3	Netherlands		S	97.4		67.7	
KAS Bank N.V. Frankfurt branch	■	E3	Germany	Netherlands	B	97.4		67.7	
KAS Bank N.V. London branch	■	E3	United Kingdom	Netherlands	B	97.4		67.7	
KAS Trust & Depositary Services B.V. Amsterdam	■	E3	Netherlands		S	97.4		67.7	
S3 Latam Holdco 1	▲	E2	Spain		JV	50.0		34.7	
S3 Latam Holdco 2	▲	E2	Spain		JV	50.0		34.7	
Santander Fund Administration, S.A.	■	E3	Spain		S	100.0		69.5	
Santander Securities Services Brasil Distribuidora de titulos e Valores Mobiliarios, S.A.	▲	E3	Brazil		JV	50.0		34.7	

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Santander Securities Services Brasil Participaçoes, S.A.	▲	E3	Brazil		JV	50.0		34.7	
Santander Securities Services Colombia S.A.	▲	E3	Colombia		JV	50.0		34.7	
Santander Securities Services, S.A.	■	E3	Spain		S	100.0		69.5	
UBAF	▲		France		JV	47.0	47.0	47.0	47.0
UBAF (Japon)	▲		Japan	France	JV	47.0	47.0	47.0	47.0
UBAF (Singapour)	▲		Singapore	France	JV	47.0	47.0	47.0	47.0
Stockbrokers									
Crédit Agricole Securities (Asia) Limited Hong Kong	■		Hong Kong		S	100.0	100.0	100.0	100.0
Crédit Agricole Securities (Asia) Limited Seoul Branch	■		South Korea		B	100.0	100.0	100.0	100.0
Crédit Agricole Securities (USA) Inc.	■		United States		S	100.0	100.0	100.0	100.0
Crédit Agricole Securities Asia BV (Tokyo)	■		Japan	Netherlands	B	100.0	100.0	100.0	100.0
Investment companies									
Compagnie Française de l'Asie (CFA)	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB Air Finance S.A.	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB Holdings Ltd	■		United Kingdom		S	100.0	100.0	100.0	100.0
Crédit Agricole Global Partners Inc.	■		United States		S	100.0	100.0	100.0	100.0
Crédit Agricole Securities Asia BV	■		Netherlands		S	100.0	100.0	100.0	100.0
Doumer Finance S.A.S.	■		France		S	100.0	100.0	100.0	100.0
Fininvest	■		France		S	98.3	98.3	98.3	98.3
Fletirec	■		France		S	100.0	100.0	100.0	100.0
I.P.F.O.	■	S3	France		S		100.0		100.0
Insurance									
CAIRS Assurance S.A.	■		France		S	100.0	100.0	100.0	100.0
Other									
Atlantic Asset Securitization LLC	■		United States		CSE	100.0	100.0	-	-
Benelpart	■		Belgium		S	100.0	100.0	97.4	97.4
Calixis Finance	■		France		CSE	100.0	100.0	100.0	100.0
Calliope SRL	■		Italy		CSE	100.0	100.0	100.0	100.0
Clifap	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole America Services Inc.	■		United States		S	100.0	100.0	100.0	100.0
Crédit Agricole Asia Shipfinance Ltd	■		Hong Kong		S	100.0	100.0	100.0	100.0
Crédit Agricole CIB Finance (Guernsey) Ltd	■		Guernsey		CSE	99.9	99.9	99.9	99.9
Crédit Agricole CIB Finance Luxembourg S.A.	■	E1	Luxembourg		CSE	100.0		100.0	
Crédit Agricole CIB Financial Prod. (Guernesey) Ltd	■	S3	Guernsey		CSE		99.9		99.9
Crédit Agricole CIB Financial Solutions	■		France		CSE	99.9	99.9	99.9	99.9
Crédit Agricole CIB Global Banking	■		France		S	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Crédit Agricole CIB Pension Limited Partnership	■		United Kingdom		CSE	100.0	100.0	100.0	100.0
Crédit Agricole CIB Transactions	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Leasing (USA) Corp.	■		United States		S	100.0	100.0	100.0	100.0
DGAD International SARL	■		Luxembourg		S	100.0	100.0	100.0	100.0
Elipso Finance S.r.l	▲		Italy		SJV	50.0	50.0	50.0	50.0
ESNI (compartiment Crédit Agricole CIB)	■		France		CSE	100.0	100.0	100.0	100.0
Eucalyptus FCT	■		France		CSE	100.0	100.0	-	-
FCT CFN DIH	■	E3	France		CSE	100.0		-	
FIC-FIDC	■		Brazil		CSE	100.0	100.0	100.0	100.0
Financière des Scarabées	■		Belgium		S	100.0	100.0	98.7	98.7
Financière Lumis	■		France		S	100.0	100.0	100.0	100.0
Fundo A De Investimento Multimercado	■		Brazil		CSE	100.0	100.0	100.0	100.0
Héphaïstos EUR FCC	■		France		CSE	100.0	100.0	-	-
Héphaïstos GBP FCT	■		France		CSE	100.0	100.0	-	-
Héphaïstos Multidevises FCT	■		France		CSE	100.0	100.0	-	-
Héphaïstos USD FCT	■		France		CSE	100.0	100.0	-	-
Indosuez Holding SCA II	■	S3	Luxembourg		CSE		100.0		100.0
Indosuez Management Luxembourg II	■	S3	Luxembourg		CSE		100.0		100.0
Investor Service House S.A.	■		Luxembourg		S	100.0	100.0	69.5	100.0
Island Refinancing SRL	■	S2	Italy		CSE		100.0		100.0
ItalAsset Finance SRL	■		Italy		CSE	100.0	100.0	100.0	100.0
La Fayette Asset Securitization LLC	■		United States		CSE	100.0	100.0	-	-
La Route Avance	■		France		CSE	100.0	100.0	-	-
Lafina	■		Belgium		S	100.0	100.0	97.7	97.7
LMA S.A.	■		France		CSE	100.0	100.0	-	-
Merisma	■		France		CSE	100.0	100.0	100.0	100.0
Molinier Finances	■		France		S	100.0	100.0	97.1	97.1
Pacific EUR FCC	■		France		CSE	100.0	100.0	-	-
Pacific IT FCT	■		France		CSE	100.0	100.0	-	-
Pacific USD FCT	■		France		CSE	100.0	100.0	-	-
Partinvest S.A.	■		Luxembourg		S	100.0	100.0	69.5	100.0
Placements et réalisations immobilières (SNC)	■		France		S	100.0	100.0	97.4	97.4
Sagrantino Italy SRL	■		Italy		CSE	100.0	100.0	100.0	100.0
Shark FCC	■		France		CSE	100.0	100.0	-	-
Sinefinair B.V.	■	E1	Netherlands		S	100.0		100.0	
SNGI	■		France		S	100.0	100.0	100.0	100.0
SNGI Belgium	■		Belgium		S	100.0	100.0	100.0	100.0
Sococlabecq	■		Belgium		S	100.0	100.0	97.7	97.7
Sofipac	■		Belgium		S	98.6	98.6	96.0	96.0
Sufinair B.V.	■	E1	Netherlands		S	100.0		100.0	
TCB	■		France		S	98.7	98.7	97.4	97.4
Triple P FCC	■		France		CSE	100.0	100.0	-	-
TSUBAKI OFF (FCT)	■		France		CSE	100.0	100.0	-	-
TSUBAKI ON (FCT)	■		France		CSE	100.0	100.0	-	-
Vulcain EUR FCT	■		France		CSE	100.0	100.0	-	-
Vulcain Multi-Devises FCT	■		France		CSE	100.0	100.0	-	-
Vulcain USD FCT	■		France		CSE	100.0	100.0	-	-
Corporate Centre									
Crédit Agricole S.A.									
Crédit Agricole S.A.	●		France		P	100.0	100.0	100.0	100.0
Succursale Crédit Agricole S.A.	■		United Kingdom	France	B	100.0	100.0	100.0	100.0
Banking and financial institutions									
Caisse régionale de Crédit Agricole Mutuel de la Corse	●		France		P	100.0	100.0	100.0	100.0
CL Développement de la Corse	●		France		P	100.0	100.0	100.0	100.0
Crédit Agricole Home Loan SFH	■		France		CSE	100.0	100.0	100.0	100.0
Foncaris	■		France		S	100.0	100.0	100.0	100.0
Radian	■		France		CSE	100.0	100.0	100.0	100.0
Investment companies									
Crédit Agricole Capital Investissement et Finance (CACIF)	■		France		S	100.0	100.0	100.0	100.0
Delfinances	■		France		CSE	100.0	100.0	100.0	100.0
S.A.S. La Boetie	■		France		S	100.0	100.0	100.0	100.0
Sacam Assurances Cautions	■		France		S	100.0	100.0	100.0	100.0
Sacam Developpement	■		France		S	100.0	100.0	100.0	100.0
Sacam Fireca	■		France		S	100.0	100.0	100.0	100.0
Sacam Immobilier	■		France		S	100.0	100.0	100.0	100.0
Sacam International	■		France		S	100.0	100.0	100.0	100.0
Sacam Mutualisation	■		France		S	100.0	100.0	100.0	100.0
Sacam Participations	■		France		S	100.0	100.0	100.0	100.0
Sodica	■		France		S	100.0	100.0	100.0	100.0
Other									
Amundi CA 08/10/2019	■	E2; S1	France		CSE				
AMUNDI CA 15/01/2020	■	E2	France		CSE	100.0		100.0	
BFT LCR	■		France		S	100.0	100.0	100.0	100.0
BFT LCR ACTIONS BETA NEUTRE	■	S1	France		S		100.0		100.0
BFT LCR NIVEAU 2	■		France		S	100.0	100.0	100.0	100.0
CA Grands Crus	■		France		S	100.0	100.0	100.0	100.0
Cariou Holding	■		France		S	50.0	50.0	50.0	50.0
CPR EuroGov LCR	■		France		S	89.5	95.9	89.5	91.8
Crédit Agricole – Group Infrastructure Platform	■	E2	France		S	100.0		99.7	
Crédit Agricole Agriculture	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Immobilier	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Payment Services	■		France		CSE	100.0	100.0	100.0	100.0
Crédit Agricole Public Sector SCF	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control 31/12/2019	% control 31/12/2018	% interest 31/12/2019	% interest 31/12/2018
Crédit Agricole Régions Développement	■		France		S	75.7	77.3	75.7	77.3
Crédit Agricole Technologies et Services	■	E1	France		S	100.0		100.0	
DELTA	■		France		S	100.0	100.0	100.0	100.0
ESNI (compartiment Crédit Agricole S.A.)	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2015 Compartiment Corse	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2017 Compartiment Corse	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2018 Compartiment Corse	■		France		CSE	100.0	100.0	100.0	100.0
FCT Crédit Agricole Habitat 2019 Compartiment Corse	■	E2	France		CSE	100.0		100.0	
FIRECA	■		France		S	100.0	100.0	100.0	100.0
Grands Crus Investissements (GCI)	■	E1	France		S	52.1		52.1	
IDIA	■		France		S	100.0	100.0	100.0	100.0
IDIA DÉVELOPPEMENT	■		France		S	100.0	100.0	100.0	100.0
IDIA PARTICIPATIONS	■		France		S	100.0	100.0	100.0	100.0
Paymed	■	E2	France		S	70.0		70.0	
PORTFOLIO LCR CREDIT	■		France		CSE	100.0	100.0	99.4	98.6
PORTFOLIO LCR GOV	■		France		CSE	99.8	99.7	92.7	95.9
PORTFOLIO LCR GOV 4A	■		France		CSE	100.0	100.0	98.4	100.0
S.A.S. Evergreen Montrouge	■		France		CSE	100.0	100.0	100.0	100.0
S.A.S. Sacam Avenir	■		France		S	100.0	100.0	100.0	100.0
Santeffi	■	E2	France		S	100.0		100.0	
SCI D2 CAM	■		France		S	100.0	99.9	100.0	99.9
SCI Quentyvel	■		France		S	100.0	100.0	100.0	100.0
SILCA	■	S4	France		CSE		100.0		99.4
SNC Kalliste Assur	■		France		S	100.0	100.0	100.0	100.0
Société d'Epargne Foncière Agricole (SEFA)	■	E1	France		S	100.0		100.0	
Uni-medias	■		France		S	100.0	100.0	100.0	100.0
Tourism – property development									
Crédit Agricole Immobilier Promotion	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Immobilier Services	■		France		S	100.0	100.0	100.0	100.0
SO.GI.CO	■		France		S	100.0	100.0	100.0	100.0

(a) Scope changes

Inclusions (E) into the scope of consolidation:

E1: Breach of threshold

E2: Creation

E3: Acquisition (including controlling interests)

Exclusions (S) from the scope of consolidation:

S1: Discontinuation of business (including dissolution and liquidation)

S2: Sale to non-Group companies or deconsolidation following loss of control

S3: Deconsolidated due to non-materiality

S4: Merger or takeover

S5: Transfer of all assets and liabilities

Other (D):

D1: Change of company name

D2: Change in consolidation method

D3: First time listed in the Note on scope of consolidation

D4: IFRS 5 entities

(b) Nature of control

P: Parent

S: Subsidiary

B: Branch

CSE: Consolidated structured entity

JV: Joint Venture

SJV: Structured joint venture

JO: Joint operation

A: Associate

SA: Structured associate

(1) UCITS, UL and SCI (non-trading real estate investment company) funds held by the insurance entities.

(1) Consolidation method: ■ Full ▲ Equity Accounted ● Parent

NOTE 14 Investments in non-consolidated companies and structured entities

14.1 INFORMATION ON SUBSIDIARIES

This line item amounted to €14,978 million at 31 December 2019, compared with €13,728 million at 31 December 2018. At 31 December 2019, the main investment in non-consolidated companies where percentage of control is greater than 20% and which have significant value on the balance sheet is Crédit Logement (shares A and B). The Group's investment represents 32.50% of Crédit Logement's capital and amounts to €476 million but does not confer any significant influence over this entity, which is jointly held by various French banks and companies.

14.1.1 Non-consolidated controlled entities

Information relating to conventional entities under exclusive control, under joint control and subject to significant influence, and to controlled structured entities not included in the scope of consolidation are available on the Crédit Agricole Group website at the time of publication of the Universal Registration Document.

14.1.2 Material non-consolidated equity investments

Material equity investments accounting for a fraction of capital greater than or equal to 10% and not included in the scope of consolidation are presented in a table available online on the Crédit Agricole Group website at the time of publication of the Universal Registration Document.

14.2 INVESTMENTS IN NON-CONSOLIDATED STRUCTURED ENTITIES

IFRS 12 defines a structured entity as an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to the administrative tasks only and the relevant activities are directed by means of contractual arrangements.

Information on the nature and extent of interests held

At 31 December 2019, Crédit Agricole Group entities had interests in certain non-consolidated structured entities, the main characteristics of which are presented below on the basis of their type of activity:

Securitisation

Crédit Agricole Group, mainly through its subsidiaries in the Large customers business line, is tasked with structuring securitisation vehicles through the purchase of trade or financial receivables. The vehicles fund such purchases by issuing multiple tranches of debt and equity investments, with repayment being linked to the performance of the assets in such vehicles. It invests in and provides liquidity facilities to the securitisation vehicles it has sponsored on behalf of customers.

Asset management

Crédit Agricole Group, through its subsidiaries in the Asset gathering business line, structures and manages entities on behalf of customers wishing to invest in specific assets in order to obtain the best possible return having regard to the chosen level of risk. Crédit Agricole S.A. Group entities may thus either be required to hold interests in such entities in order to ensure a successful launch or to guarantee the performance of such structures.

Investment funds

Entities in the Crédit Agricole Group Asset gathering business line invest in companies established to meet investor demand in connection with treasury management and with the investment of insurance premiums received from insurance company customers, in accordance with the regulatory provisions in the French Insurance Code. Insurance company investments cover commitments to policyholders over the life of insurance policies. Their value and returns are correlated to these commitments.

Structured finance

Lastly, Crédit Agricole Group, through its subsidiaries in the Large customers business line, is involved in special purpose asset acquisition entities. These entities may take the form of asset financing companies or lease financing companies. In structured entities, the financing is secured by the asset. The Group's involvement is often limited to the financing or to financing commitments.

Sponsored entities

Crédit Agricole Group sponsors structured entities in the following instances:

- Crédit Agricole Group is involved in establishing the entity and that involvement, which is remunerated, is deemed essential for ensuring the proper completion of transactions;
- structuring takes place at the request of Crédit Agricole Group and it is the main user thereof;
- Crédit Agricole Group transfers its own assets to the structured entity;
- Crédit Agricole Group is the manager;
- the name of a subsidiary or of the parent company of Crédit Agricole Group is linked to the name of the structured entity or of the financial instruments issued by it.

Gross revenues from sponsored entities mainly comprise interest income and expenses in securitisation and investment funds, in which Crédit Agricole Assurances and Crédit Agricole CIB do not hold any interests at the reporting date. For Crédit Agricole Assurances they amount to €1.4 million and for Crédit Agricole CIB €4 million as at 31 December 2019.

Information on the risks related to interests

Financial support for structured entities

In 2019, Crédit Agricole did not provide financial support to any non-consolidated structured entities.

At 31 December 2019, Crédit Agricole did not intend to provide financial support to any non-consolidated structured entities.

Investments in non-consolidation companies and structured entities

At 31 December 2019 and 31 December 2018, the Group's implication in non-consolidated structured entities is disclosed in the following tables, for each group of sponsored structured entities that are significant to the Group:

	31/12/2019			
	Securitisation vehicles			
		Maximum loss		
(in millions of euros)	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	8	8	-	8
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortised cost	2,351	2,351	-	2,351
Total Assets recognised relating to non-consolidated structured entities	**2,360**	**2,360**	**-**	**2,360**
Equity instruments	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-
Liabilities	128	-	-	-
Total Liabilities recognised relating to non-consolidated structured entities	**128**	**-**	**-**	**-**
Commitments given	**-**	**1,608**	**-**	**1,608**
Financing commitments (excluding Crédit Agricole internal transactions)	-	1,551	-	1,551
Guarantee commitments (excluding Crédit Agricole internal transactions)	-	-	-	-
Others	-	57	-	57
Provisions for execution risks – commitments given	-	-	-	-
Total Commitments (net of provision) to non-consolidated structured entities	**-**	**1,608**	**-**	**1,608**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**2,232**	**-**	**-**	**-**

(1) Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

											31/12/2019
Asset management				Investments funds[1]				Structured finance[1]			
	Maximum loss				Maximum loss				Maximum loss		
Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	**Carrying amount**	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	**Carrying amount**	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
1,898	1,898	-	1,898	53,897	53,897	-	50,547	20	20	-	20
-	-	-	-	163	163	-	1	-	-	-	-
-	-	-	-	-	-	-	-	2,261	2,261	-	2,261
1,898	**1,898**	**-**	**1,898**	**54,060**	**54,060**	**-**	**50,548**	**2,281**	**2,281**	**-**	**2,281**
-	-	-	-	-	-	-	-	-	-	-	-
1,010	1,010	-	1,010	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	492	-	-	-
1,010	**1,010**	**-**	**1,010**	**-**	**-**	**-**	**-**	**492**	**-**	**-**	**-**
-	**20,311**	**-**	**20,336**	**-**	**-**	**-**	**-**	**-**	**1,380**	**-**	**1,380**
-	-	-	-	-	-	-	-	-	1,216	-	1,216
-	20,336	-	20,336	-	-	-	-	-	164	-	164
-	-	-	-	-	-	-	-	-	-	-	-
-	(25)	-	-	-	-	-	-	-	-	-	-
-	**20,311**	**-**	**20,336**	**-**	**-**	**-**	**-**	**-**	**1,380**	**-**	**1,380**
76,800	**-**	**-**	**-**	**347,204**	**-**	**-**	**-**	**2,262**	**-**	**-**	**-**

(in millions of euros)	31/12/2018			
	Securitisation vehicles			
		Maximum loss		
	Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	66	66	-	66
Financial assets at fair value through other comprehensive income	-	-	-	-
Financial assets at amortised cost	16,537	16,540	152	16,388
Total Assets recognised relating to non-consolidated structured entities	**16,603**	**16,606**	**152**	**16,454**
Equity instruments	-	-	-	-
Financial liabilities at fair value through profit or loss	43	-	-	43
Liabilities	173	-	-	-
Total Liabilities recognised relating to non-consolidated structured entities	**215**	**-**	**-**	**43**
Commitments given	**-**	**5,484**	**-**	**5,484**
Financing commitments	-	5,387	-	5,387
Guarantee commitments	-	-	-	-
Other	-	97	-	97
Provisions for execution risks – commitments given	-	-	-	-
Total Commitments (net of provision) to non-consolidated structured entities	**-**	**5,484**	**-**	**5,484**
TOTAL BALANCE SHEET RELATING TO NON-CONSOLIDATED STRUCTURED ENTITIES	**16,423**	**-**	**-**	**-**

(1) Non-sponsored structured entities generate no specific risk related to the nature of the entity. Information concerning these exposures is set out in Note 3.1 "Credit risk" and Note 3.2 "Market risk". These are investment funds in which the Group is not a manager, and structured financing entities in which the Group has only granted a loan.

Maximum exposure to loss risk

The maximum exposure to loss risk on financial instruments corresponds to the value recognised on the balance sheet, with the exception of option sale derivatives and credit default swaps for which the exposure corresponds to assets for the notional amount and to liabilities for the notional amount less the mark-to-market. The maximum exposure to loss risk on commitments given corresponds to the notional amount and the provision for commitments given in the amount recognised on the balance sheet.

31/12/2018											
Asset management				**Investments funds(1)**				**Structured finance(1)**			
	Maximum loss				**Maximum loss**				**Maximum loss**		
Carrying amount	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	**Carrying amount**	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure	**Carrying amount**	Maximum exposure to losses	Guarantees received and other credit enhancements	Net exposure
2,101	2,101	-	2,101	42,468	42,467	-	38,567	35	35	-	35
-	-	-	-	481	481	-	26	12	12	-	12
-	-	-	-	-	-	-	-	2,346	2,346	-	2,346
2,101	**2,101**	**-**	**2,101**	**42,950**	**42,949**	**-**	**38,593**	**2,393**	**2,393**	**-**	**2,393**
-	-	-	-	-	-	-	-	-	-	-	-
833	833	-	833	1,055	15	-	15	4	-	-	4
-	-	-	-	-	-	-	-	569	-	-	-
833	**833**	**-**	**833**	**1,055**	**15**	**-**	**15**	**573**	**-**	**-**	**4**
-	**20,098**	**302**	**19,827**	**-**	**1,920**	**-**	**1,920**	**-**	**1,445**	**-**	**1,445**
-	-	-	-	-	-	-	-	-	1,258	-	1,258
-	20,129	302	19,827	-	-	-	-	-	187	-	187
-	-	-	-	-	1,920	-	1,920	-	-	-	-
-	(31)	-	-	-	-	-	-	-	-	-	-
-	**20,098**	**302**	**19,827**	**-**	**1,920**	**-**	**1,920**	**-**	**1,445**	**-**	**1,445**
94,702	**-**	**-**	**-**	**323,224**	**-**	**-**	**-**	**2,349**	**-**	**-**	**-**

NOTE 15 Events subsequent to 31 December 2019

15.1 UNWINDING OF 35% OF THE "SWITCH" GUARANTEE MECHANISM

On 2 March 2020, Crédit Agricole S.A. has unwinded 35% of the "Switch" guarantee mechanism implemented between the Regional Banks and Crédit Agricole S.A., less than a year after the disclosure of its Medium-Term Plan.

The unwinding was subject to an audit of the equity-accounted value of insurance as at 31 December 2019.

The "Switch" guarantee mechanism represents a transfer to the Regional Banks of a share of the regulatory requirements that apply to Crédit Agricole S.A. for its insurance activities in return for a fixed remuneration from the Regional Banks.

The partial unwinding of this intragroup transaction is a new step towards the simplification of the solvency structure of Crédit Agricole S.A. It strengthens the net income generation capacity of Crédit Agricole S.A. with an accretive impact on the net income Group share of roughly 70 million euros on a full-year basis.

The impact of this transaction on the CET1 ratio of Crédit Agricole S.A. is approximately -40 basis points from 31 March 2020. Crédit Agricole S.A. confirms its 11% CET1 target set out in the Medium Term Plan for Crédit Agricole S.A., a level that compares favourably with the 8.7% SREP requirement. Crédit Agricole S.A, as the central body of Crédit Agricole Group, also benefits fully from the legal internal financial solidarity mechanism.

This transaction will have no impact on the results nor on the solvency ratios of Crédit Agricole Group.

15.2 ACQUISITION OF SABADELL ASSET MANAGEMENT BY AMUNDI

On 21 January 2020, Amundi and Banco Sabadell announced the signing of a final agreement regarding Amundi's acquisition of Sabadell Asset Management, Banco Sabadell's asset management subsidiary, for a cash purchase price of €430 million, which could be supplemented by an earn out of up to €30 million payable in 2024.

On the same date, Amundi and Banco Sabadell announced the signing of a 10-year strategic partnership for the distribution of asset management products in the Banco Sabadell network in Spain.

Given the fact that the agreement includes conditions precedent, it is expected that this transaction, which is subject to the approval of the regulators, will be concluded during Q3 2020.

15.3 CHEQUE IMAGE EXCHANGE DISPUTE

In its judgment of 21 December 2017, the Paris Court of Appeal upheld the decision of the French Competition Authority (ADLC), which in 2010 had fined the major French banks for colluding to fix the price and terms of clearing cheques. Following this judgment, the fine for the Crédit Agricole Group was €97.5 million, of which €59.2 million was recognised for Crédit Agricole S.A. and LCL in revenues in financial year 2017.

Just as the other banks party to this procedure, the Crédit Agricole Group has filed an appeal with France's Supreme Court *(Cour de cassation).*

The decision of the Supreme Court of 29 January 2020 rejected the decision of the Paris Court of Appeal. The Supreme Court also referred the dispute back to the Paris Court of Appeal, in a different composition.

This decision has no accounting consequences for financial year 2019.

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is a translation into English of the statutory auditors' report on the consolidated financial statements of the Company issued in French and it is provided solely for the convenience of English-speaking users.

This statutory auditors' report includes information required by European regulation and French law, such as information about the appointment of the statutory auditors or verification of the information concerning the Group presented in the management report.

This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(For the year ended December 31, 2019)

To the Annual General Meeting of Crédit Agricole SA,

OPINION

In compliance with the engagement entrusted to us by your Annual General Meeting, we have audited the accompanying consolidated financial statements of Crédit Agricole Group for the year ended December 31, 2019.

As indicated in the Note entitled "General framework" to the consolidated financial statements, the consolidated financial statements of the Crédit Agricole Group, a network organised around a central body, are prepared based on the network formed by the Local Banks, the Regional Banks and Crédit Agricole SA, the central body.

In our opinion, the consolidated financial statements give a true and fair view of the assets and liabilities and of the financial position of the Group at December 31, 2019 and of the results of its operations for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

The audit opinion expressed above is consistent with our report to the Audit Committee.

BASIS FOR OPINION

Audit framework

We conducted our audit in accordance with professional standards applicable in France. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under these standards are further described in the "Responsibilities of the Statutory Auditors relating to the audit of the consolidated financial statements" section of our report.

Independence

We conducted our audit engagement in compliance with the independence rules applicable to us, for the period from 1 January 2019 to the date of our report, and, in particular, we did not provide any nonaudit services prohibited by article 5(1) of Regulation (EU) No 537/2014 or the French Code of Ethics (*Code de déontologie*) for Statutory Auditors.

EMPHASIS OF MATTER

Without qualifying our opinion, we draw your attention to the change in accounting policy concerning the application as from 1 January 2019 of the new IFRS 16 "Leases" presented in Note 1.1 "Applicable standards and comparability" and the paragraph IFRS 16 Leases in Note 1.2 "Accounting policies and principles" as well as in notes 8 and 12 to the consolidated financial statements presenting quantified data related to the impact of this change.

JUSTIFICATION OF ASSESSMENTS – KEY AUDIT MATTERS

In accordance with the requirements of articles L.823-9 and R.823-7 of the French Commercial Code (*Code de commerce*) relating to the justification of our assessments, we inform you of the key audit matters relating to the risks of material misstatement that, in our professional judgement, were the most significant in our audit of the consolidated financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the consolidated financial statements, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the consolidated financial statements.

Credit risk and estimate of expected losses on performing, underperforming and nonperforming loans

Description of risk	How our audit addressed this risk
In accordance with IFRS 9, since January 1, 2018 the Crédit Agricole Group recognises loss allowance in respect of expected credit losses (ECL) on loans that are performing (Bucket 1), underperforming (Bucket 2) or non-performing (Bucket 3). Given the significant judgement in determining such loss allowance we considered these adjustments to be a key audit matter for the following main entities and risk segments: ■ Regional Crédit Agricole banks: IFRS 9 input (probability of default (PD), loss given default (LGD)) measurement and ECL calculation models, as defined by the Group with respect to loans in Buckets 1 and 2; ■ Crédit Agricole CIB: loss allowance of performing and underperforming (Buckets 1 and 2) and nonperforming (Bucket 3) loans, specifically for financing granted to companies in the maritime and energy sectors, due to an uncertain economic environment, the complexity of identifying exposures where there is a risk of nonrecovery and the degree of judgement needed to estimate recovery flows; ■ Retail Banking: loss allowance of loans in Buckets 1 and 2, and "Corporate" loans in Bucket 3; ■ Consumer Finance: loss allowance of loans in Buckets 1, 2 and 3; As at December 31, 2019, loss allowance for expected losses related to all qualified financial loans amounted to € 21,1 billion, including: ■ € 6,5 billion of loss allowance of performing and underperforming loans (€ 2,4 billion for B1 and € 4,2 billion for B2); ■ € 14,5 billion of loss allowance of nonperforming loans (B3). Refer to Notes 1.2 and 3.1 to the consolidated financial statements.	We examined the procedures implemented by the Risk Management department to classify loans (Bucket 1, 2 or 3) and measure the amount of recorded loss allowance, in order to assess whether the estimates used were based on IFRS 9 and were appropriately documented and described in the notes to the consolidated financial statements. We tested the key controls implemented by the main entities for the annual portfolio reviews, the updating of credit ratings, the identification of underperforming or doubtful loans and the measurement of impairment. We also obtained understanding of main findings of the primary Group entities' specialised committees in charge of monitoring underperforming and impaired loans. Regarding loss allowance in Buckets 1 and 2, we: ■ asked experts to assess the methods and measurements for the various loss allowance inputs and calculation models; ■ examined the methodology used by Risk Management to identify significant increases in credit risk (SICR); ■ tested the controls we considered key for transfer of the data used to calculate loss allowance or the reconciliations between the bases used to their calculation and the accounting data; ■ carried out independent loss allowance calculations based on samples, compared the calculated amount with the recorded amount and examined the adjustments made by management where applicable; ■ assessed the analyses carried out by management on Crédit Agricole CIB's corporate bank's exposures with a negative outlook. Regarding individually calculated loss allowance in Bucket 3, we: ■ examined the estimates used for impaired significant counterparties and, based on credit files sample, we examined the factors underlying the main assumptions used to assess expected cash flows, taking into account in particular the collateral value. Lastly, we examined the disclosures regarding credit risk coverage provided in the notes to the consolidated financial statements.

Valuation of Goodwill

Description of risk	How our audit addressed this risk
Goodwill is tested for impairment whenever there are objective indications of impairment and otherwise at least once a year. These tests are based on a comparison between the carrying amount of each Cash Generating Unit (CGU) and its recoverable amount, defined as the higher of fair value less costs to sell and value in use. Value in use is determined by discounting the estimated future cash flows of the CGU, as defined in the Medium-Term Plan 2020-2022 and extended over two years. The rate of capital allocation is determined by considering any specific requirements set by the regulator (Pillar 2 in particular). We deemed the measurement of goodwill to be a key audit matter as impairment tests necessarily require management to make decisions concerning the key assumptions to use, in particular for determining economic scenarios, financial forecasts and discount rates. Given the difference between the value in use and the carrying amount, past performance and their sensitivity to the assumptions used by management, we paid attention to the tests conducted on the French retail banking – LCL, International retail banking – Italy CGUs and International wealth management. Goodwill recorded in balance sheet amounted as at December 31, 2019 to € 15,8 billion, including € 4,4 billion related to French retail banking – LCL (after an impairment of € 664 million recorded in 2019), € 1,8 million related to International retail banking and € 0,8 million to International wealth management. Refer to Notes 1.2 and 6.16 to the consolidated financial statements.	We reviewed the processes implemented by the Group to identify any objective indications of impairment and to assess the need for impairment of goodwill. We involved in our audit team valuation experts to assess the assumptions used to determine the discount rates and the perpetual growth rates used as well as the models used for calculating discounted cash flows. We tested the calculations and the main assumptions (rate of capital allocation, discount rate, perpetual growth rate, etc.) compared with external sources. We examined the financial forecasts prepared by the management of each entity concerned and used in the model to: ▪ verify their consistency with those that have been approved by governance body (Board of Directors or Supervisory Bord) of the entities or subgroups and that any potential adjustments made were justified; ▪ assess the main underlying assumptions, including for the extension of forecasts beyond the three-year period that was submitted to the entities' governance body. These assumptions were assessed in view of the financial forecasts and the actual performance of prior periods; ▪ conduct sensitivity analysis to some of the assumptions (level of capital allocated, discount rate, cost of risk, operating ratio). We also examined the disclosures provided in the notes to the consolidated financial statements on the results of these impairment tests and the level of sensitivity to the various measurement inputs.

Legal, tax and compliance risks

Description of risk	How our audit addressed this risk
The Group is subject to judicial proceedings or arbitration and several investigations and requests for regulatory information from different regulators. These concern the Euribor/Libor and SSA Bonds matters with authorities from various countries (USA, UK, Switzerland) and the European Union. They also concern ongoing actions by the Italian competition authority and the Dutch credit mediator for the consumer finance business line. A number of tax investigations are also ongoing in France and some of the countries in which the Group operates (including Germany). The decision to recognise a provision or a receivable and the amount to be recorded requires, by its nature, the use of judgement, due to the difficulty in assessing the outcome of pending litigation or uncertainties regarding tax treatments, particularly in the context of some structural transactions. Given the importance of judgment, these assessments carry a significant risk of material misstatement in the consolidated financial statements and are therefore a key audit matter. The various ongoing investigations, requests for information and the actions of certain authorities as well as the most important tax inspections at 31 December 2019 are described in Notes 1.2, 2, 6.10 and 6.18 to the consolidated financial statements.	We have reviewed the process implemented by Management to assess the risks arising from these disputes, litigations and tax uncertainties, as well as the provisions or receivables, where applicable, through quarterly inquiries with management and more specifically with the Legal, Tax and Compliance departments of the Group and its main subsidiaries. Our work involved: ▪ assessing the assumptions used to determine provisions based on available information (documentation prepared by the Legal department or legal counsel of Crédit Agricole SA and Group entities, correspondence from regulators and minutes of Legal Risks Committee meetings); ▪ reviewing the analyses and findings of the Group's legal advisors and their responses to our requests for confirmation; ▪ regarding more specifically tax risks, examining, with our tax specialists, the responses provided by the Group to the relevant authorities as well as the risk estimates made by the Group; ▪ assessing, accordingly, the level of provisioning at December 31, 2019. Lastly, we examined the related disclosures provided in the notes to the consolidated financial statements.

Measurement of certain Crédit Agricole CIB financial assets and liabilities classified in level 3 of the fair value hierarchy

Description of risk	How our audit addressed this risk
Within the Large Corporate business line of the Crédit Agricole Group, Crédit Agricole CIB originates, structures, sells and trades derivative financial instruments, for corporates and financial institutions. Moreover, the issue of debt instruments, some of which are hybrid, to the Group's international and domestic customers contributes to the management of the Credit Agricole CIB medium- and long-term refinancing. ▪ Derivative financial instruments held for trading purposes are recorded at fair value through profit or loss on the balance sheet. ▪ Hybrid issues are recognised in financial liabilities subject to the fair value through profit or loss option. These instruments are classified in level 3 when their valuation requires the use of significant unobservable market inputs. We considered the measurement of such instruments classified in level 3 to be a key audit matter, as it requires judgement from management, regarding: ▪ defining the observability cartography of the valuation parameters, the identification of parameters that are not supported by observable market data; ▪ the use of internal and nonstandard valuation models; ▪ the categorization of financial instruments according to the fair value hierarchy; ▪ the assessment of valuation adjustments designed to take account of uncertainties in the models, parameters used or counterparty and liquidity risks; ▪ the analysis of any potential valuation differences with counterparties raised in connection with margin calls or instruments disposal. Crédit Agricole CIB's level 3 derivative financial instruments and hybrid issues are recorded in the balance sheet of the Crédit Agricole Group under financial assets and liabilities at fair value through profit or loss. At 31 December 2019, derivative financial instruments recorded in the balance sheet of the Crédit Agricole Group amounted to €1.8 billion in assets and €0.7 billion in liabilities. Structured issues were recorded in the amount of €7.5 billion in financial liabilities subject to the fair value through profit or loss option. See Notes 1.2, 6.2 and 11.2 to the consolidated financial statements.	We reviewed processes and controls implemented by Crédit Agricole CIB to identify, measure and recognise derivative financial instruments and structured issues classified in level 3. We examined key controls performed by Risk Management such as review of the observability cartography, the independent verification of measurement inputs and the internal approval of valuation models. We also examined the system for recording valuation adjustments and the accounting categorisation of financial products. With the support of our specialists in the valuation of financial instruments, we carried out independent valuations, analysed those performed by the bank and examined the assumptions, inputs, methodologies and models used at December 31, 2019. We have reviewed the documentation relating to developments in the observability mapping exercise. We also assessed the main valuation adjustments recorded, as well as the justification provided by management for the main differences observed in margin calls and losses and/or gains in the event of the disposal of financial products.

Specific technical reserves and liability adequacy tests in relation to insurance policies

Description of risk	How our audit addressed this risk
Within the Insurance business line of the Crédit Agricole Group, insurance liabilities are recognised as technical reserves in compliance with French consolidation standards and the applicable regulations, as permitted under IFRS 4. These technical reserves include some specific provisions that require judgment in their determination. These include: ▪ the reserve for growing risks of dependence, established where the present value of the insurer's commitments in terms of health or disability cover is higher than the projected contributions of policyholders; ▪ reserves for late claims relating to nonlife insurance policies for which losses have occurred but have not yet been declared or valued. For Predica life insurance technical reserves, the Group conducts an annual liability adequacy test to ensure that insurance liabilities are adequate to meet estimated future cash flows after projected management fees. Considering the sensitivity of the above specific reserves and of the liability adequacy test to the different underlying assumptions used (asset yield forecasts, policyholder behaviour, insurer's financial policy, period of independent living or probability of occurrence of a state of dependency, statistical models and expert assessments used for valuing late claims, discount rate, etc.), we deemed specific technical reserves and liability adequacy tests to be a key audit matter. Net insurance technical reserves amounted to €361 billion as at 31 December 2019. See Notes 1.2, 4.6, and 6.17 to the consolidated financial statements.	For the main specific reserves mentioned below, we included actuaries in our audit teams, for the purpose of: ▪ examining the compliance of the Group's methodology for measuring these reserves with the applicable regulations; ▪ gaining an understanding of the control environment relating to the management or valuation of losses, the design of forecast models or stochastic models and the determination of the main assumptions input in the model (asset yield, modelling of fees, redemption rate, mortality tables, projected period of independent living and probability of occurrence of a state of dependency, discount rate, etc.); ▪ reconciling the main data used for calculating these reserves with the management data; ▪ analysing certain models or data in the light of market practice, the economic environment and historical data; ▪ examining the key controls of the information systems supporting the processing of technical data and accounting entries; ▪ recalculating certain reserves. More specifically for the Predica liability adequacy test, we have: ▪ analysed the adjustments, including the illiquidity premium, made by the Group to the yield curve prescribed for the valuation of Solvency 2 liabilities and their correct application in the liability flow projection model; ▪ examined the sensitivity of the result to changes in the main financial and portfolio assumptions in order to verify that the provisions remain sufficient in these different scenarios.

SPECIFIC VERIFICATIONS

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by laws and regulations of the information pertaining to the Group presented in the Board of Directors' management report.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

We attest that the consolidated non-financial statement provided for by Article L. 225-102-1 of the French Commercial Code (Code de commerce) is included in the information pertaining to the Group presented in the management report, it being specified that, in accordance with the provisions of article L. 823-10 of said Code, we have verified neither the fair presentation nor the consistency with the financial statements of the information contained in this statement which has to be subject to a report by an independent third party.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed as Statutory Auditors of Crédit Agricole SA by your Annual General Meeting held on May 19, 2004 for PricewaterhouseCoopers Audit and in 1985 for ERNST & YOUNG et Autres.

As at December 31, 2019, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the 16th and 35th of total uninterrupted engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

Management is responsible for preparing consolidated financial statements giving a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and for implementing the internal control procedures it deems necessary for the preparation of consolidated financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting, unless it expects to liquidate the Company or to cease operations.

The Audit Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risk management systems, as well as, where applicable, any internal audit systems, relating to accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the consolidated financial statements. Our objective is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free of material misstatement. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with professional standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions taken by users on the basis of these consolidated financial statements.

As specified in article L.823-10-1 of the French Commercial Code, our audit does not include assurance on the viability or quality of the Company's management.

As part of an audit conducted in accordance with professional standards applicable in France, the Statutory Auditors exercise professional judgement throughout the audit.

They also:

- identify and assess the risks of material misstatement in the consolidated financial statements, whether due to fraud or error, design and perform audit procedures in response to those risks and obtain audit evidence considered to be sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of the internal control procedures relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management and the related disclosures in the notes to the consolidated financial statements;

- assess the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. This assessment is based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern. If the Statutory Auditors conclude that a material uncertainty exists, they are required to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or are inadequate, to issue a qualified opinion or a disclaimer of opinion;
- evaluate the overall presentation of the consolidated financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. The Statutory Auditors are responsible for the management, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed thereon.

Report to the Audit Committee

We submit to the Audit Committee a report which includes a description of the scope of the audit and the audit programme implemented, as well as the results of our audit. We also report any significant deficiencies in internal control that we have identified regarding the accounting and financial reporting procedures.

Our report to the Audit Committee includes the risks of material misstatement that, in our professional judgement, were the most significant for the audit of the consolidated financial statements and which constitute the key audit matters that we are required to describe in this report.

We also provide the Audit Committee with the declaration provided for in article 6 of Regulation (EU) No 537/2014, confirming our independence within the meaning of the rules applicable in France, as defined in particular in articles L.822-10 to L.822-14 of the French Commercial Code and in the French Code of Ethics for Statutory Auditors. Where appropriate, we discuss any risks to our independence and the related safeguard measures with the Audit Committee.

Neuilly-sur-Seine and Paris-La Défense, March 23, 2020

The Statutory Auditors

French original signed by

PricewaterhouseCoopers Audit	ERNST & YOUNG et autres
Anik Chaumartin	Olivier Durand

3 PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT AND ITS AMENDMENTS

Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A.

RESPONSIBILITY STATEMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this Amendment to the Universal registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the assets and liabilities, financial position and results of operations of the Company and of all the companies included in the consolidated group, and that the business report, consisting of the sections indicated in the cross-reference table at the end of this document, provides a true and fair view of the significant events of the financial year, their impact on the financial statements, the main transactions between related parties and a description of the main risks and uncertainties, the results and the financial position of the Company and of all the companies included in the consolidated group, together with a description of the main risks and uncertainties that they face.

Montrouge, 3 April 2020

The Chief Executive Officer of Crédit Agricole S.A.

Philippe Brassac

STATUTORY AUDITORS

Statutory Auditors

Ernst & Young et Autres	PricewaterhouseCoopers Audit
Company represented by Olivier Durand	Company represented by Anik Chaumartin
1-2, place des Saisons 92400 Courbevoie, Paris – La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine
Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*	Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*

The Crédit Agricole S.A. Board of Statutory Auditors remained unchanged in financial years 2011/2012/2013/2014/2015/2016/2017/2018. The signatories remained unchanged in financial years 2011/2012/2013 and 2014, namely Valérie Meeus for Ernst & Young et Autres and Catherine Pariset for PricewaterhouseCoopers Audit. Since 2015, the signatory for PricewaterhouseCoopers Audit has been Anik Chaumartin, replacing Catherine Pariset. In 2017, the signatory for Ernst & Young et Autres was Olivier Durand, replacing Valérie Meeus.

Alternate Statutory Auditors

Picarle et Associés	Jean-Baptiste Deschryver
Company represented by Marc Charles	
1-2, place des Saisons 92400 Courbevoie, Paris – La Défense 1	63, rue de Villiers 92208 Neuilly-sur-Seine
Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*	Statutory Auditors, Member, *Compagnie régionale des Commissaires aux comptes de Versailles*

Ernst & Young et Autres was appointed Statutory Auditor under the name Barbier Frinault et Autres by the Ordinary General Meeting of 31 May 1994. This term of office was renewed for a further six financial years at the Combined General Meeting of 16 May 2018.

Ernst & Young et Autres is represented by Olivier Durand.

Picarle et Associés was appointed Alternate Statutory Auditor for Ernst & Young et Autres by the Combined General Meeting of 17 May 2006. This term of office was renewed for a further six financial years at the Combined General Meeting of 16 May 2018.

PricewaterhouseCoopers Audit was appointed Statutory Auditor by the Ordinary General Meeting of 19 May 2004. This term of office was renewed for a further six financial years at the Combined General Meeting of 16 May 2018.

PricewaterhouseCoopers Audit is represented by Anik Chaumartin.

Jean-Baptiste Deschryver was appointed Alternate Statutory Auditor for PricewaterhouseCoopers Audit for a further six financial years at the Combined General Meeting of 16 May 2018.

CROSS-REFERENCE

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
Section 1	**Persons responsible, third party information, experts' reports and competent authority approval**	**645**	**371**
1.1	Identify all persons responsible for the information or any parts of it, given in the registration document with, in the latter case, an indication of such parts. In the case of natural persons, including members of the issuer's administrative, management or supervisory bodies, indicate the name and function of the person; in the case of legal persons indicate the name and registered office.	645	371
1.2	A declaration by those responsible for the registration document that to the best of their knowledge, the information contained in the registration document is in accordance with the facts and that the registration document makes no omission likely to affect its import. Where applicable, a declaration by those responsible for certain parts of the registration document that, to the best of their knowledge, the information contained in those parts of the registration document for which they are responsible is in accordance with the facts and that those parts of the registration document make no omission likely to affect their import.	645	371
1.3	Where a statement or report attributed to a person as an expert, is included in the registration document, provide the following details for that person: (a) name; (b) business address; (c) qualifications; (d) material interest if any in the issuer. If the statement or report has been produced at the issuer's request, state that such statement or report has been included in the registration document with the consent of the person who has authorised the contents of that part of the registration document for the purpose of the prospectus.		
1.4	Where information has been sourced from a third party, provide a confirmation that this information has been accurately reproduced and that as far as the issuer is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, identify the source(s) of the information.	N/A	N/A
1.5	A statement that: (a) the [registration document/prospectus] has been approved by the [name of the competent authority], as competent authority under Regulation (EU) 2017/1129; (b) the [name of competent authority] only approves this [registration document/prospectus] as meeting the standards of completeness, comprehensibility and consistency imposed by Regulation (EU) 2017/1129; (c) such approval should not be considered as an endorsement of the issuer that is the subject of this [registration document/prospectus].	1	1
Section 2	**Statutory auditors**	**646**	**372**
2.1	Names and addresses of the issuer's auditors for the period covered by the historical financial information (together with their membership in a professional body).	646	372
2.2	If auditors have resigned, been removed or have not been re-appointed during the period covered by the historical financial information, indicate details if material.	N/A	N/A
Section 3	**Risk factors**	**43 – 242 to 254 – 296 to 299 – 427 to 462 – 502 to 503 – 599 to 600**	**46 to 47 – 50 to 104 – 128 to 184 – 227 to 264 – 269 – 305 to 309**
3.1	A description of the material risks that are specific to the issuer, in a limited number of categories, in a section headed "Risk Factors". In each category, the most material risks, in the assessment undertaken by the issuer, offeror or person asking for admission to trading on a regulated market, taking into account the negative impact on the issuer and the probability of their occurrence shall be set out first. The risks shall be corroborated by the content of the registration document.	242 to 254	50 to 104

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
Section 4	**Information about the issuer**		
4.1	The legal and commercial name of the issuer.	2 to 7 – 234 to 237 – 618 to 624	3
4.2	The place of registration of the issuer, its registration number and legal entity identifier ('LEI').	618	N/A
4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	618	N/A
4.4	The domicile and legal form of the issuer, the legislation under which the issuer operates, its country of incorporation, the address, telephone number of its registered office (or principal place of business if different from its registered office) and website of the issuer, if any, with a disclaimer that the information on the website does not form part of the prospectus unless that information is incorporated by reference into the prospectus.	618 to 624	N/A
Section 5	**Business overview**		
5.1	Principal activities.	12 to 24 – 472 to 477	6 to 13 – 275 to 279
5.1.1	A description of, and key factors relating to, the nature of the issuer's operations and its principal activities, stating the main categories of products sold and/or services performed for each financial year for the period covered by the historical financial information.	12 to 24 – 234 to 237 – 472 to 477	6 to 13 – 17 to 30 – 47 to 49
5.1.2	An indication of any significant new products and/or services that have been introduced and, to the extent the development of new products or services has been publicly disclosed, give the status of their development.	625	
5.2	Principal markets a description of the principal markets in which the issuer competes, including a breakdown of total revenues by operating segment and geographic market for each financial year for the period covered by the historical financial information.	16 to 24	32 – 33
5.3	The important events in the development of the issuer's business.	424 to 427	224 to 227
5.4	Strategy and objectives a description of the issuer's business strategy and objectives, both financial and non-financial (if any). This description shall take into account the issuer's future challenges and prospects.	41 to 44 - 234 to 237	47 to 49
5.5	If material to the issuer's business or profitability, summary information regarding the extent to which the issuer is dependent, on patents or licences, industrial, commercial or financial contracts or new manufacturing processes.	299	103
5.6	The basis for any statements made by the issuer regarding its competitive position.		
5.7	Investments.	26 to 27 – 233 to 237 – 402 to 403 – 424 to 425 – 536 to 550 – 625	202 – 203 – 224 to 227 – 338
5.7.1	A description, (including the amount) of the issuer's material investments for each financial year for the period covered by the historical financial information up to the date of the registration document.	26 to 27 – 625	N/A
5.7.2	A description of any material investments of the issuer that are in progress or for which firm commitments have already been made, including the geographic distribution of these investments (home and abroad) and the method of financing (internal or external).	625	625
5.7.3	Information relating to the joint ventures and undertakings in which the issuer holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.	495 to 498	297 – 300
5.7.4	A description of any environmental issues that may affect the issuer's utilisation of the tangible fixed assets.	40 to 109	
Section 6	**Organisational structure**	**5**	**3**
6.1	If the issuer is part of a group, a brief description of the group and the issuer's position within the group. This may be in the form of, or accompanied by, a diagram of the organisational structure if this helps to clarify the structure.	5	3
6.2	A list of the issuer's significant subsidiaries, including name, country of incorporation or residence, the proportion of ownership interest held and, if different, the proportion of voting power held.	394 to 395 – 536 to 550 – 589 to 593	338 to 356

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
Section 7	**Operating and financial review**	**216 to 239**	**15 to 49**
7.1	Financial condition.	396 to 403 – 568 to 570	196 to 203
7.1.1	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, a fair review of the development and performance of the issuer's business and of its position for each year and interim period for which historical financial information is required, including the causes of material changes. The review shall be a balanced and comprehensive analysis of the development and performance of the issuer's business and of its position, consistent with the size and complexity of the business. To the extent necessary for an understanding of the issuer's development, performance or position, the analysis shall include both financial and, where appropriate, non-financial Key Performance Indicators relevant to the particular business. The analysis shall, where appropriate, include references to, and additional explanations of, amounts reported in the annual financial statements.	219 to 239	15 to 49
7.1.2	To the extent not covered elsewhere in the registration document and to the extent necessary for an understanding of the issuer's business as a whole, the review shall also give an indication of: (a) the issuer's likely future development; (b) activities in the field of research and development. The requirements set out in item 7.1 may be satisfied by the inclusion of the management report referred to in Articles 19 and 29 of Directive 2013/34/EU of the European Parliament and of the Council (1).		
7.2	Operating results.	396 - 570	196
7.2.1	Information regarding significant factors, including unusual or infrequent events or new developments, materially affecting the issuer's income from operations and indicate the extent to which income was so affected.	N/A	N/A
7.2.2	Where the historical financial information discloses material changes in net sales or revenues, provide a narrative discussion of the reasons for such changes.	N/A	N/A
Section 8	**Capital resources**		
8.1	Information concerning the issuer's capital resources (both short term and long term).	9 to 11 – 28 to 33 – 234 to 236 – 302 to 323 – 398 to 400 – 463 – 509 to 511 – 584 to 585	3 to 7 – 31 – 105 to 127 – 198 to 201 – 265 – 271 to 273
8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	402 to 403	202 – 203
8.3	Information on the borrowing requirements and funding structure of the issuer.	221 to 222 – 281 to 286 – 453 to 454	18 – 19 – 88 to 92 – 255 – 256 – 257
8.4	Information regarding any restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	304 to 320 – 498 – 536 – 554	105 to 124 – 338 to 361
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2.	625 to 627	N/A
Section 9	**Regulatory environment**	**300 to 301**	**105 – 106**
9.1	A description of the regulatory environment that the issuer operates in and that may materially affect its business, together with information regarding any governmental, economic, fiscal, monetary or political policies or factors that have materially affected, or could materially affect, directly or indirectly, the issuer's operations.	311 to 326	108 to 127
Section 10	**Trend information**	**2 to 3 – 234 to 236 – 554**	**46 – 47**
10.1	A description of: (a) the most significant recent trends in production, sales and inventory, and costs and selling prices since the end of the last financial year to the date of the registration document; (b) any significant change in the financial performance of the group since the end of the last financial period for which financial information has been published to the date of the registration document, or provide an appropriate negative statement.	N/A	N/A
10.2	Information on any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on the issuer's prospects for at least the current financial year.	234 to 236	45 – 46 – 47

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
Section 11	**Forecast or estimation of the profit**		
11.1	Where an issuer has published a profit forecast or a profit estimate (which is still outstanding and valid) that forecast or estimate shall be included in the registration document. If a profit forecast or profit estimate has been published and is still outstanding, but no longer valid, then provide a statement to that effect and an explanation of why such forecast or estimate is no longer valid. Such an invalid forecast or estimate is not subject to the requirements in items 11.2 and 11.3.	N/A	N/A
11.2	Where an issuer chooses to include a new profit forecast or a new profit estimate, or a previously published profit forecast or a previously published profit estimate pursuant to item 11.1, the profit forecast or estimate shall be clear and unambiguous and contain a statement setting out the principal assumptions upon which the issuer has based its forecast, or estimate. The forecast or estimate shall comply with the following principles: (a) there must be a clear distinction between assumptions about factors which the members of the administrative, management or supervisory bodies can influence and assumptions about factors which are exclusively outside the influence of the members of the administrative, management or supervisory bodies; (b) the assumptions must be reasonable, readily understandable by investors, specific and precise and not relate to the general accuracy of the estimates underlying the forecast; (c) in the case of a forecast, the assumptions shall draw the investor's attention to those uncertain factors which could materially change the outcome of the forecast.	N/A	N/A
11.3	The prospectus shall include a statement that the profit forecast or estimate has been compiled and prepared on a basis which is both: (a) comparable with the historical financial information; (b) consistent with the issuer's accounting policies.	N/A	N/A
Section 12	**Administrative, management and supervisory bodies and senior management**		
12.1	Names, business addresses and functions within the issuer of the following persons and an indication of the principal activities performed by them outside of that issuer where these are significant with respect to that issuer: (a) members of the administrative, management or supervisory bodies; (b) partners with unlimited liability, in the case of a limited partnership with a share capital; (c) founders, if the issuer has been established for fewer than five years; (d) any senior manager who is relevant to establishing that the issuer has the appropriate expertise and experience for the management of the issuer's business. Details of the nature of any family relationship between any of the persons referred to in points (a) to (d). In the case of each member of the administrative, management or supervisory bodies of the issuer and of each person referred to in points (b) and (d) of the first subparagraph, details of that person's relevant management expertise and experience and the following information: (a) the names of all companies and partnerships where those persons have been a member of the administrative, management or supervisory bodies or partner at any time in the previous five years, indicating whether or not the individual is still a member of the administrative, management or supervisory bodies or partner. It is not necessary to list all the subsidiaries of an issuer of which the person is also a member of the administrative, management or supervisory bodies; (b) details of any convictions in relation to fraudulent offences for at least the previous five years; (c) details of any bankruptcies, receiverships, liquidations or companies put into administration in respect of those persons described in points (a) and (d) of the first subparagraph who acted in one or more of those capacities for at least the previous five years; (d) details of any official public incrimination and/or sanctions involving such persons by statutory or regulatory authorities (including designated professional bodies) and whether they have ever been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer for at least the previous five years. If there is no such information required to be disclosed, a statement to that effect is to be made.	113 to 123 – 141 to 170	N/A

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
12.2	Administrative, management and supervisory bodies and senior management conflicts of interests potential conflicts of interests between any duties to the issuer, of the persons referred to in item 12.1, and their private interests and or other duties must be clearly stated. In the event that there are no such conflicts, a statement to that effect must be made. Any arrangement or understanding with major shareholders, customers, suppliers or others, pursuant to which any person referred to in item 12.1 was selected as a member of the administrative, management or supervisory bodies or member of senior management. Details of any restrictions agreed by the persons referred to in item 12.1 on the disposal within a certain period of time of their holdings in the issuer's securities.	116 to 121 – 171	N/A
Section 13	**Remuneration and benefits**		
In relation to the last full financial year for those persons referred to in points (a) and (d) of the first subparagraph of item 12.1:			
13.1	The amount of remuneration paid (including any contingent or deferred compensation), and benefits in kind granted to such persons by the issuer and its subsidiaries for services in all capacities to the issuer and its subsidiaries by any person. That information must be provided on an individual basis unless individual disclosure is not required in the issuer's home country and is not otherwise publicly disclosed by the issuer.	115 to 116 – 130 to 131 – 172 to 205 – 514 to 517 – 610	315 to 318
13.2	The total amounts set aside or accrued by the issuer or its subsidiaries to provide for pension, retirement or similar benefits.	130 to 131 – 172 to 206 – 417 to 418 – 503 – 514 to 517 – 583 – 601 – 610	217 to 218 – 305 to 309 – 315 to 318
Section 14	**Board practices**		
In relation to the issuer's last completed financial year, and unless otherwise specified, with respect to those persons referred to in point (a) of the first subparagraph of item 12.1:			
14.1	Date of expiration of the current term of office, if applicable, and the period during which the person has served in that office.	141 to 170	N/A
14.2	Information about members of the administrative, management or supervisory bodies' service contracts with the issuer or any of its subsidiaries providing for benefits upon termination of employment, or an appropriate statement to the effect that no such benefits exist.	171	N/A
14.3	Information about the issuer's audit committee and remuneration committee, including the names of committee members and a summary of the terms of reference under which the committee operates.	129 to 131	N/A
14.4	A statement as to whether or not the issuer complies with the corporate governance regime(s) applicable to the issuer. In the event that the issuer does not comply with such a regime, a statement to that effect must be included together with an explanation regarding why the issuer does not comply with such regime.	112 to 140 – 208 to 214	N/A
14.5	Potential material impacts on the corporate governance, including future changes in the board and committees composition (in so far as this has been already decided by the board and/or shareholders meeting).	N/A	N/A
Section 15	**Employees**		
15.1	Either the number of employees at the end of the period or the average for each financial year for the period covered by the historical financial information up to the date of the registration document (and changes in such numbers, if material) and, if possible and material, a breakdown of persons employed by main category of activity and geographic location. If the issuer employs a significant number of temporary employees, include disclosure of the number of temporary employees on average during the most recent financial year.	4 – 56 – 69 – 514 – 610	2 to 315
15.2	Shareholdings and stock options With respect to each person referred to in points (a) and (d) of the first subparagraph of item 12.1 provide information as to their share ownership and any options over such shares in the issuer as of the most recent practicable date.	28 to 29 - 31 to 33 – 190 – 197 to 207 – 417 – 517 – 583 to 584	218 – 318
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	583 to 584	N/A

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
Section 16	**Major shareholders**		
16.1	In so far as is known to the issuer, the name of any person other than a member of the administrative, management or supervisory bodies who, directly or indirectly, has an interest in the issuer's capital or voting rights which is notifiable under the issuer's national law, together with the amount of each such person's interest, as at the date of the registration document or, if there are no such persons, an appropriate statement to that that effect that no such person exists.	144 to 168	N/A
16.2	Whether the issuer's major shareholders have different voting rights, or an appropriate statement to the effect that no such voting rights exist.	28 to 29 – 113 – 509 to 511	N/A
16.3	To the extent known to the issuer, state whether the issuer is directly or indirectly owned or controlled and by whom and describe the nature of such control and describe the measures in place to ensure that such control is not abused.	5 – 28 to 29 – 113 – 171	3
16.4	A description of any arrangements, known to the issuer, the operation of which may at a subsequent date result in a change in control of the issuer.	29	N/A
Section 17	**Related party transactions**		
17.1	Details of related party transactions (which for these purposes are those set out in the Standards adopted in accordance with the Regulation (EC) No 1606/2002 of the European Parliament and of the Council (2), that the issuer has entered into during the period covered by the historical financial information and up to the date of the registration document, must be disclosed in accordance with the respective standard adopted under Regulation (EC) No 1606/2002 if applicable. If such standards do not apply to the issuer the following information must be disclosed: (a) the nature and extent of any transactions which are, as a single transaction or in their entirety, material to the issuer. Where such related party transactions are not concluded at arm's length provide an explanation of why these transactions were not concluded at arm's length. In the case of outstanding loans including guarantees of any kind indicate the amount outstanding; (b) the amount or the percentage to which related party transactions form part of the turnover of the issuer.	390 to 392 – 495 to 497 – 572 to 575 – 604	297 to 300
Section 18	**Financial information concerning the issuer's assets and liabilities, financial position and profits and losses**		
18.1	Historical financial information.	390 to 403	193 to 203
18.1.1	Audited historical financial information covering the latest three financial years (or such shorter period as the issuer has been in operation) and the audit report in respect of each year.	390 to 564 – 566 to 612	193 to 369
18.1.2	Change of accounting reference date If the issuer has changed its accounting reference date during the period for which historical financial information is required, the audited historical information shall cover at least 36 months, or the entire period for which the issuer has been in operation, whichever is shorter.	N/A	N/A
18.1.3	Accounting standards The financial information must be prepared according to International Financial Reporting Standards as endorsed in the Union based on Regulation (EC) No 1606/2002. If Regulation (EC) No 1606/2002 is not applicable, the financial information must be prepared in accordance with: (a) a Member State's national accounting standards for issuers from the EEA, as required by Directive 2013/34/EU; (b) a third country's national accounting standards equivalent to Regulation (EC) No 1606/2002 for third country issuers. If such third country's national accounting standards are not equivalent to Regulation (EC) No 1606/2002 the financial statements shall be restated in compliance with that Regulation.	575 to 584	N/A

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
18.1.4	Change of accounting framework The last audited historical financial information, containing comparative information for the previous year, must be presented and prepared in a form consistent with the accounting standards framework that will be adopted in the issuer's next published annual financial statements having regard to accounting standards and policies and legislation applicable to such annual financial statements. Changes within the accounting framework applicable to an issuer do not require the audited financial statements to be restated solely for the purposes of the prospectus. However, if the issuer intends to adopt a new accounting standards framework in its next published financial statements, at least one complete set of financial statements (as defined by IAS 1 Presentation of Financial Statements as set out in Regulation (EC) No 1606/2002), including comparatives, must be presented in a form consistent with that which will be adopted in the issuer's next published annual financial statements, having regard to accounting standards and policies and legislation applicable to such annual financial statements.	N/A	N/A
18.1.5	Where the audited financial information is prepared according to national accounting standards, it must include at least the following: (a) the balance sheet; (b) the income statement; (c) a statement showing either all changes in equity or changes in equity other than those arising from capital transactions with owners and distributions to owners; (d) the cash flow statement; (e) the accounting policies and explanatory notes.	N/A	N/A
18.1.6	Consolidated financial statements If the issuer prepares both stand-alone and consolidated financial statements, include at least the consolidated financial statements in the registration document.	396 to 404	196 to 204
18.1.7	Age of financial information The balance sheet date of the last year of audited financial information may not be older than one of the following: (a) 18 months from the date of the registration document if the issuer includes audited interim financial statements in the registration document; (b) 16 months from the date of the registration document if the issuer includes unaudited interim financial statements in the registration document.	568	N/A
18.2	Interim and other financial information.	N/A	N/A
18.2.1	If the issuer has published quarterly or half-yearly financial information since the date of its last audited financial statements, these must be included in the registration document. If the quarterly or half-yearly financial information has been audited or reviewed, the audit or review report must also be included. If the quarterly or half-yearly financial information is not audited or has not been reviewed, state that fact. If the registration document is dated more than nine months after the date of the last audited financial statements, it must contain interim financial information, which may be unaudited (in which case that fact must be stated) covering at least the first six months of the financial year. Interim financial information prepared in accordance with the requirements of Regulation (EC) No 1606/2002. For issuers not subject to Regulation (EC) No 1606/2002, the interim financial information must include comparative statements for the same period in the prior financial year, except that the requirement for comparative balance sheet information may be satisfied by presenting the year's end balance sheet in accordance with the applicable financial reporting framework.	N/A	N/A
18.3	Auditing of historical annual financial information.	563 to 564 – 612 to 615	368 to 369
18.3.1	The historical annual financial information must be independently audited. The audit report shall be prepared in accordance with the Directive 2014/56/EU of the European Parliament and Council (3) and Regulation (EU) No 537/2014 of the European Parliament and of the Council (4). Where Directive 2014/56/EU and Regulation (EU) No 537/2014 do not apply: (a) the historical annual financial information must be audited or reported on as to whether or not, for the purposes of the registration document, it gives a true and fair view in accordance with auditing standards applicable in a Member State or an equivalent standard; (b) If audit reports on the historical financial information have been refused by the statutory auditors or if they contain qualifications, modifications of opinion, disclaimers or an emphasis of matter, such qualifications, modifications, disclaimers or emphasis of matter must be reproduced in full and the reasons given.	N/A	N/A

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
18.3.2	Indication of other information in the registration document that has been audited by the auditors.	N/A	N/A
18.3.3	Where financial information in the registration document is not extracted from the issuer's audited financial statements state the source of the information and state that the information is not audited.	N/A	N/A
18.4	Pro forma financial information.	N/A	N/A
18.4.1	In the case of a significant gross change, a description of how the transaction might have affected the assets, liabilities and earnings of the issuer, had the transaction been undertaken at the commencement of the period being reported on or at the date reported. This requirement will normally be satisfied by the inclusion of pro forma financial information. This pro forma financial information is to be presented as set out in Annex 20 and must include the information indicated therein. Pro forma financial information must be accompanied by a report prepared by independent accountants or auditors.	N/A	N/A
18.5	Dividend policy.	9 – 30 – 35 to 36 – 239 – 510	N/A
18.5.1	A description of the issuer's policy on dividend distributions and any restrictions thereon. If the issuer has no such policy, include an appropriate negative statement.	620 to 622	N/A
18.5.2	The amount of the dividend per share for each financial year for the period covered by the historical financial information adjusted, where the number of shares in the issuer has changed, to make it comparable.	510	N/A
18.6	Legal and arbitration proceedings.	296 to 299 – 493 to 497 – 599 to 600	295 to 296
18.6.1	Information on any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the issuer is aware), during a period covering at least the previous 12 months which may have, or have had in the recent past significant effects on the issuer and/or group's financial position or profitability, or provide an appropriate negative statement.	296 to 299 – 493 to 497 – 599 to 600	295 – 296
18.7	Significant change in the issuer's financial position.	626	45
18.7.1	A description of any significant change in the financial position of the group which has occurred since the end of the last financial period for which either audited financial statements or interim financial information have been published, or provide an appropriate negative statement.	626	45
Section 19	**Additional information**	**N/A**	**N/A**
19.1	Share capital the information in items 19.1.1 to 19.1.7 in the historical financial information as of the date of the most recent balance sheet.	28 to 33 – 509 to 510 – 603 to 604 – 618 to 619	N/A
19.1.1	The amount of issued capital, and for each class of share capital: (a) the total of the issuer's authorised share capital; (b) the number of shares issued and fully paid and issued but not fully paid; (c) the par value per share, or that the shares have no par value; and (d) a reconciliation of the number of shares outstanding at the beginning and end of the year. If more than 10% of capital has been paid for with assets other than cash within the period covered by the historical financial information, state that fact.	28 to 33 – 509 to 510 – 603 to 604 – 618 to 619	N/A
19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	N/A	N/A
19.1.3	The number, book value and face value of shares in the issuer held by or on behalf of the issuer itself or by subsidiaries of the issuer.	28 to 29	N/A
19.1.4	The amount of any convertible securities, exchangeable securities or securities with warrants, with an indication of the conditions governing and the procedures for conversion, exchange or subscription.	370	174
19.1.5	Information about and terms of any acquisition rights and or obligations over authorised but unissued capital or an undertaking to increase the capital.	N/A	N/A
19.1.6	Information about any capital of any member of the group which is under option or agreed conditionally or unconditionally to be put under option and details of such options including those persons to whom such options relate.	N/A	N/A

		Page number of this Universal registration document	Page number of this Amendment to the Universal registration document
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	29 – 509	N/A
19.2	Memorandum and Articles of Association.	618 to 624	N/A
19.2.1	The register and the entry number therein, if applicable, and a brief description of the issuer's objects and purposes and where they can be found in the up to date memorandum and articles of association.	618 to 624	N/A
19.2.2	Where there is more than one class of existing shares, a description of the rights, preferences and restrictions attaching to each class.	N/A	N/A
19.2.3	A brief description of any provision of the issuer's articles of association, statutes, charter or bylaws that would have an effect of delaying, deferring or preventing a change in control of the issuer.	618 to 624	N/A
Section 20	**Material contracts**	**390 to 392 – 572 to 575 – 625 to 626 – 637 to 644**	**45 to 46 – 193 to 195**
20.1	A summary of each material contract, other than contracts entered into in the ordinary course of business, to which the issuer or any member of the group is a party, for the two years immediately preceding publication of the registration document. A summary of any other contract (not being a contract entered into in the ordinary course of business) entered into by any member of the group which contains any provision under which any member of the group has any obligation or entitlement which is material to the group as at the date of the registration document.	390 to 392 – 572 to 575 – 625 to 626 – 637 to 644	45 to 46 – 193 to 195
Section 21	**Documents available**	**626**	**N/A**
21.1	A statement that for the term of the registration document the following documents, where applicable, can be inspected: (a) the up to date memorandum and articles of association of the issuer; (b) all reports, letters, and other documents, valuations and statements prepared by any expert at the issuer's request any part of which is included or referred to in the registration document. An indication of the website on which the documents may be inspected.	626	N/A

A glossary is available in 2019 Universal registration document pages 647 to 651.

Photos credits: iStock
Conception et réalisation : côtécorp. Tél. : +33 (0)1 55 32 29 74

CRÉDIT AGRICOLE
S.A.

A French limited company with share capital of €8,654,066,136
Nanterre Trade and Company Registry No. 784 608 416 RCS
12 place des États-Unis • 92127 Montrouge Cedex • France
Tel. + 33 (0) 1 43 23 52 02 • www.credit-agricole.com