WORKING EVERY DAY IN THE INTEREST OF OUR CUSTOMERS AND SOCIETY

ANNUAL FINANCIAL REPORT

UNIVERSAL REGISTRATION DOCUMENT

2019

CRÉDIT AGRICOLE
S.A.

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CRÉDIT AGRICOLE S.A.

UNIVERSAL REGISTRATION DOCUMENT

ANNUAL FINANCIAL REPORT 2019

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 controlled by the AMF, This Universal Registration Document has been filled on 25 March 2020 with the AMF, as competent authority under Regulation (EU) 2017/1129, without prior approval pursuant to Article 9 of the said regulation.

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INTERVIEW WITH DOMINIQUE LEFEBVRE AND PHILIPPE BRASSAC

The addition of geopolitical, social and health risks, with their effects on the world economy, interest rates and market are transforming the conditions of banking trades. How does the Group react to this environment?

Dominique Lefebvre

The Group has means to cope with an adverse environment. We are the 10th largest bank worldwide, one of the most robust ones in the EU, we are leaders in our markets in France, as well as in Europe in certain areas. In 2019, Crédit Agricole Group adapted to an environment with disruptive elements and cyclical tensions. The effects of the Coronavirus pandemic will be of another magnitude. It will be a question of mobilizing our human skills and our financial solidity to support our customers, individuals and businesses, in the service of the recovery of the economy.

Our universal banking model, mobilising our ability to innovate and anticipate and capitalising on our solid, long-term mutualist structure, enables us to meet our clients' needs over the long term.

This is the meaning of our Group Project and our 2022 Medium-Term Plan, which stem from the formulation of our "Raison d'Être": "Working every day in the interest of our customers and society".

Formulating a "Raison d'Être" not only gives meaning to the fundamental strategic choices we make, it also commits the Group to all its stakeholders. Our 142,000 employees in France and around the world work every day to meet the challenges of tomorrow's world.

We want to be useful to our customers and society, and it is this **usefulness** that enables us to develop and build a solid Group, just like the search for usefulness has enabled the Group to develop by accompanying major social changes - from the financing of agricultural equipment in the 19th century to the democratisation of electronic banking and home ownership in more recent times.

Society's demands on companies are becoming more and more important. How does the Group respond/is in a position to respond to them?

Dominique Lefebvre

There is a fundamental quest for meaning in today's society, and we believe that companies have a role to play in this. They must define the response they wish to provide to these societal demands, whose diagnosis and aims we share. Striving for energy transition and the inclusion of all, offering a wide range of high-performance and adapted products and services to all, are all concerns that put us at the service of society.

It is not always easy to respond to these expectations, which sometimes lead to contradictions: the willingness to identify long-term solutions with immediate effects, or to implement disruptive environmental policies that have no impact on the quality of daily life.

Our responses are based on our **universality**, a principle that has led the Group to address all customers-individuals, businesses, professionals and farmers-of all sizes and conditions, offering them the broadest range of products and services. Like usefulness, universality is the other key component in our Group's growth.

Philippe Brassac
Chief Executive Officer

We ensure that our banking services are accessible to all, in terms of pricing, physical and digital accessibility, and that they combine social interest with responsibility towards our fellow citizens and the planet. We don't see Crédit Agricole thriving in territories that are impoverished or are going through social crises. Meeting the societal expectations of our clients does not mean reconciling two conflicting interests, but rather always acting in the interest of all.

As you said, the Group last June launched a new Medium-Term Plan. What does it actually change?

Philippe Brassac

It is an engaging project based on the Group's "Raison d'Être" that Dominique just spoke about. It consists in more than just adding up financial goals.

It can be broken down into three major areas: a Customer Project, aiming for excellence in relationships, a Human Project focusing on empowered to the men and women of the Group for customers, and a Societal Project based on our commitment to inclusion and environmental issues.

These three components are coherent, complementary and mutually enriching. Our challenge is to mobilize all our businesses around customer satisfaction by adopting a more industrial approach to procedures, or by dealing more effectively with what are sometimes called "irritating" issues. Our ambition is global: an exceptional digital customer experience, a complete range of banking, insurance and real estate products and services, but above all - and this is a powerful vector of differentiation - access for our customers to teams of men and women who are truly responsible for local relationships. Teams that use discernment, that are capable of making quick decisions and are harnessing the Group's collective strength.

The bank we are developing is a **relational bank**, not just a transactional one. It is a positive human revolution generated by a digital transformation

Description of Covid-19 associated risks for Crédit Agricole S.A. are detailed on Chapter 5 (Risk factors) on page 249.

Refer to the glossary page 647 for the definition of the technical terms.

that should not be feared, quite the contrary: it allows people to focus on their highest added value, and to be attentive to and support their clients' transformations.

Meeting these ambitions requires resources. We have made a commitment to allocate €15 billion over the next four years to technologies, to free up human time for customer advice, and to facilitate access to our services. These investments should also enable us to guarantee our customers the security of data collected as part of our relationship of trust. In our opinion this is a key issue in an increasingly digitalised world, where cybersecurity and transparency are prerequisites.

Finally, our responsibility as a financer and investor in the economy is to accompany its transformation in our territories. In that light, we were the first to announce our gradual phase-out of coal in 2013. We are the world leader in Green bond issues. In 2019 we defined a Climate strategy, and we want to be a partner in the multiple transitions that our clients must implement, by advising and supporting them in their efforts.

The current economic environment is marked by sluggish growth and low rates. How is the Group doing and how is it approaching the future?

Philippe Brassac

The year 2019 showed record results that reflect the Group's solidity and its commercial development, both in France as well as internationally, in all its business lines.

Our strategy enables us to achieve a healthy growth that is adapted to this new environment, to which we are paying close attention. Our relationship model and our broad range of products and services enable us to help our customers navigate in a financial environment marked by uncertainty and low interest rates. Our business model allows us to grow more capital-efficiently than our peers, and we are constantly improving our operational efficiency by investing in productivity gains for the future.

We train our employees to accompany them through changes in the way they work, and we develop partnerships in our businesses to expand our customer base and create economies of scale.

These changes, which began in the previous Medium-Term Plan, have enabled us to achieve our objectives more than a year ahead of schedule, we now want to amplify and accelerate in order to achieve a net income of more than 5 billion euros in 2022 for Crédit Agricole S.A.

Is organic growth still the Group's priority, or do you see any acquisitions?

Philippe Brassac

Crédit Agricole pays attention to possible banking consolidation movements and their potential impact on our businesses. Nevertheless, we note that European prudential regulations are not conducive to the emergence of the cross-border consolidation that the authorities seem to be calling for. On the other hand, it leaves room in the business lines for commercial partnership agreements, with or without capital ties, seeking synergies, while respecting the brands of each and their client relationships.

The Group has thus established and renewed numerous partnerships this year in activities where it holds leading positions. This is the case for securities services with the acquisition of Kas Bank in the Netherlands by CACEIS and the agreement with Santander in the same field. It is also the case in consumer credit, with the renewal of the agreement with Banco BPM in Italy and a new agreement with Bankia in Spain, and for Crédit Agricole Assurances with Abanca in Spain and Creval in Italy, or between Amundi and Bank of China and Sabadell at the very beginning of the 2020.

But these partnerships are not a substitute for organic growth - on the contrary. It is because our businesses are growing, gaining market share, that they are attractive to potential partners.

What commitment do you make to shareholders and investors?

Dominique Lefebvre

Our financial strength is universally acknowledged. In fact, it was praised this year by Moody's, which raised the Group's long-term rating from A1 to Aa3. This rating is based on a high level of capital at the level of Crédit Agricole Group, which through the internal solidarity mechanism, guarantees Crédit Agricole S.A. and allows a tighter control of the capital.

Accordingly, in line with the commitment made in our 2022 Medium-Term Plan, and from the first year on, we decided to partially unwinding Switch, our internal guarantee mechanism for weighted insurance risks. This is a first step that will boost the profitability of Crédit Agricole S.A. for its shareholders. Since 2016, we have committed to a pay-out ratio of 50%, in cash. In a market where uncertainties weigh on bank stocks, this consistency and reliability is appreciated by investors and shareholders.

Refer to the glossary page 647 for the definition of the technical terms.

CREDIT AGRICOLE GROUP'S RAISON D'ETRE

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	1st	1st	1st	1st
bank worldwide	cooperative worldwide	bank in France	insurer inFrance	European asset manager

Refer to the glossary page 647 for the definition of the technical terms.

ABOUT CRÉDIT AGRICOLE

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

FLOAT

32.4%
INSTITUTIONAL INVESTORS

7.0%
INDIVIDUAL SHAREHOLDERS

4.7%
EMPLOYEE SHARE OWNERSHIP PLANS (ESOP)

NS[2]
TREASURY SHARES

44.1%

10.5 M
MUTUAL SHAREHOLDERS WHO HOLD MUTUAL SHARES IN

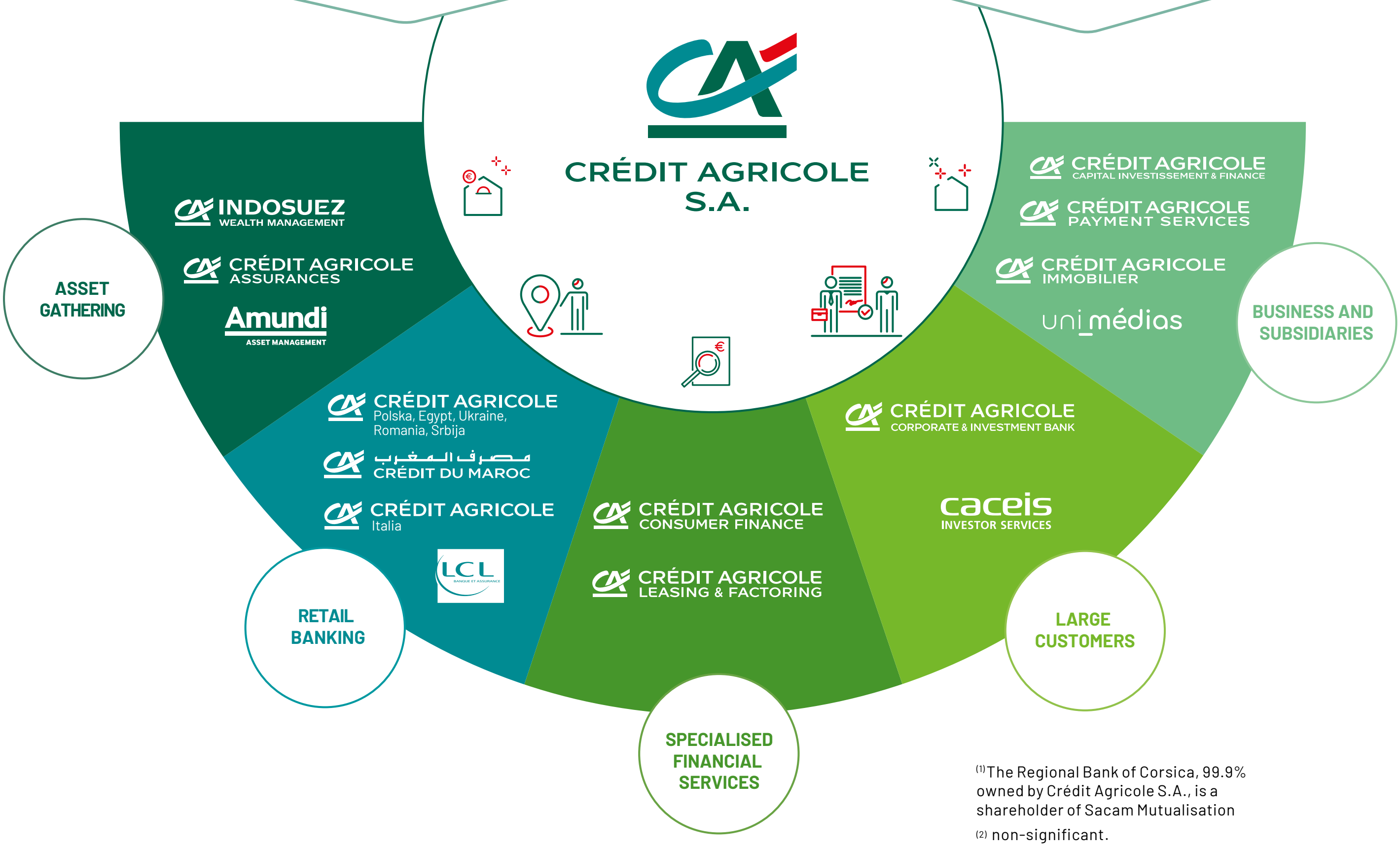
2,417
LOCAL BANKS

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%

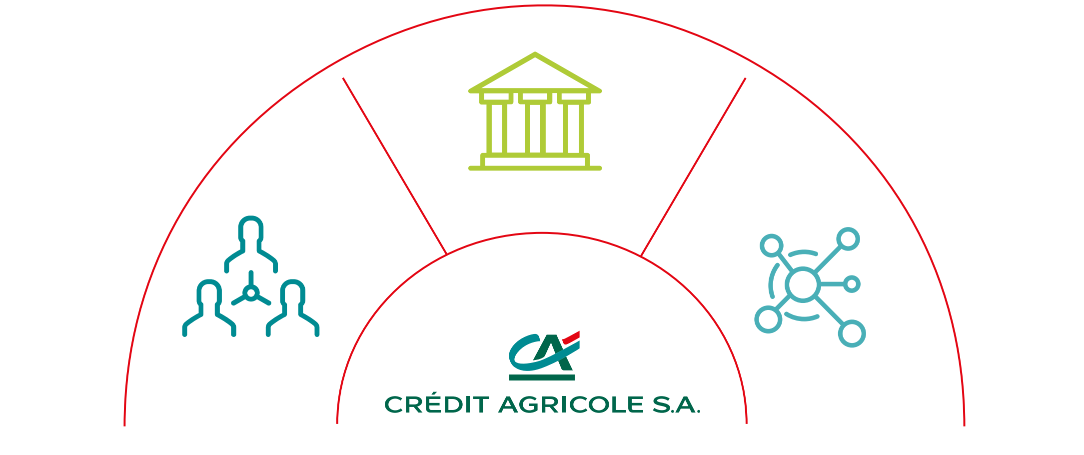


(1) The Regional Bank of Corsica, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation

(2) non-significant.

Refer to the glossary page 647 for the definition of the technical terms.

THE OBJECTIVES OF CRÉDIT AGRICOLE S.A. WITHIN THE CRÉDIT AGRICOLE GROUP



CENTRAL BODY: REPRESENTS THE CREDIT AGRICOLE GROUP BEFORE THE MONETARY AND BANKING AUTHORITIES

Application of laws or regulations pertaining to the Group

Approval of the executives of the Regional Banks and of merger plans

Bank supervision in collaboration with the regulatory authorities (Banque de France, AMF, ACPR, etc.)

Audit of the accounts (accounting approval)

Parent company of the business line subsidiaries

CENTRAL BANK OF THE CRÉDIT AGRICOLE GROUP

Guarantor for the financial unity of the Group

Financial reconciling of resources and uses by the Regional Banks

Group cash management

HEAD OF THE NETWORK: MANAGES THE DOMESTIC AND INTERNATIONAL SUBSIDIARIES OF THE GROUP

Creation of new products, promotion and coordination of commercial policy

Managing the Crédit Agricole brand

IT planning

Monitoring of subsidiaries and of international developments

Refer to the glossary page 647 for the definition of the technical terms.

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.

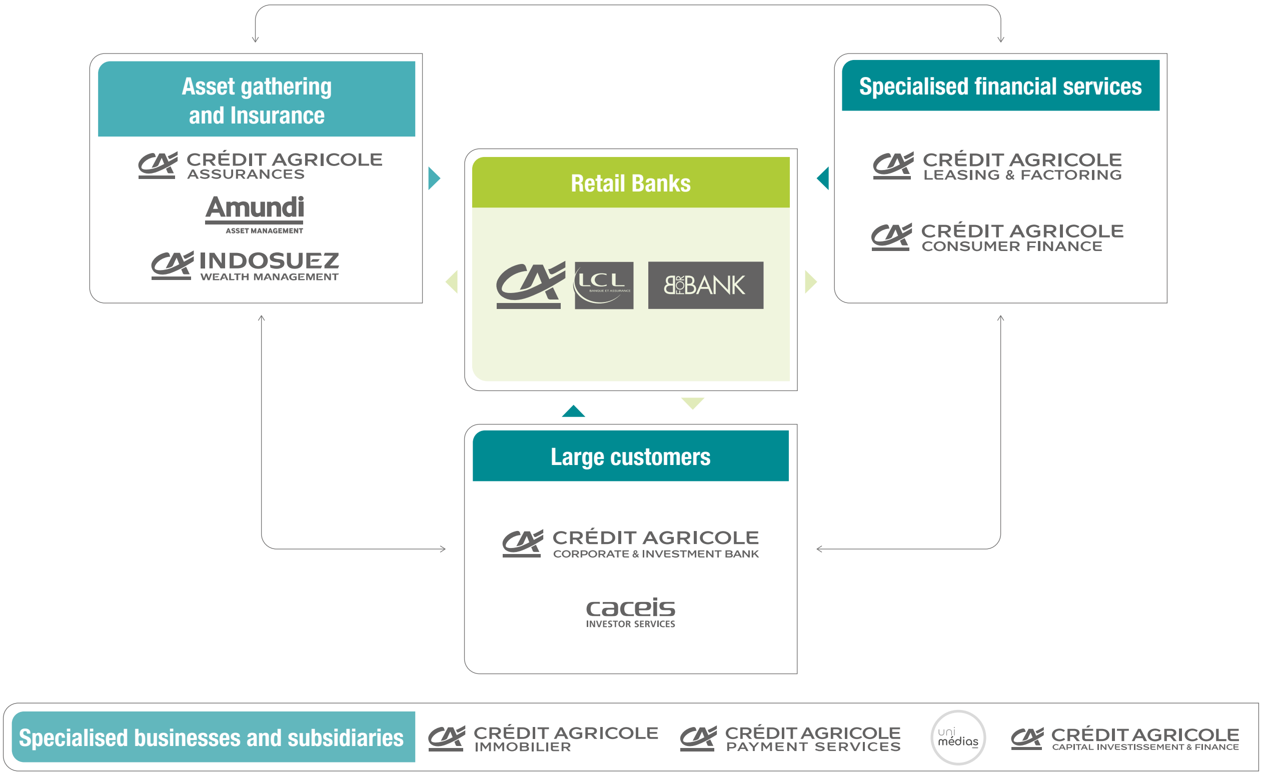
This model underscores Crédit Agricole Group's commitment to be the trusted partner of all of its customers and to cover the full breadth of their financial and wealth management needs, namely: payment instruments, insurance, savings management, financing, real estate and international support.

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.

1 ABOUT CRÉDIT AGRICOLE S.A.

Refer to the glossary page 647 for the definition of the technical terms.

A solid financial structure, a diversified shareholder base, a balanced distribution policy

STOCK MARKET AND SHAREHOLDERS

€0.70

NET DIVIDEND PER SHARE IN 2019

50%

PAYOUT RATIO (2019)

€37.2bn

MARKET CAPITALISATION AT END-2019

€12.8

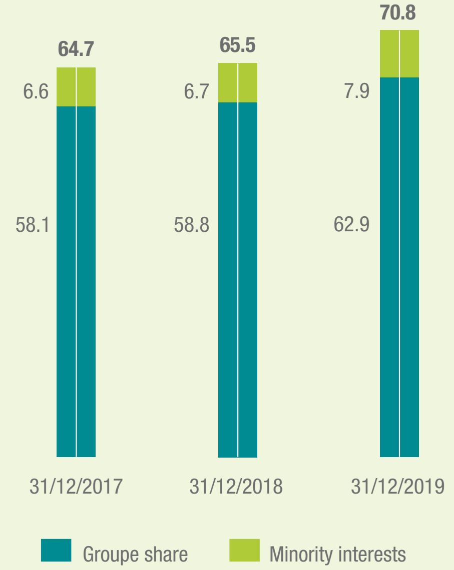
TANGIBLE ASSET PROFITABILITY PER SHARE AT END-2019[1]

(1) See definition and calculation method on page 647 of this document.

FINANCIAL POSITION

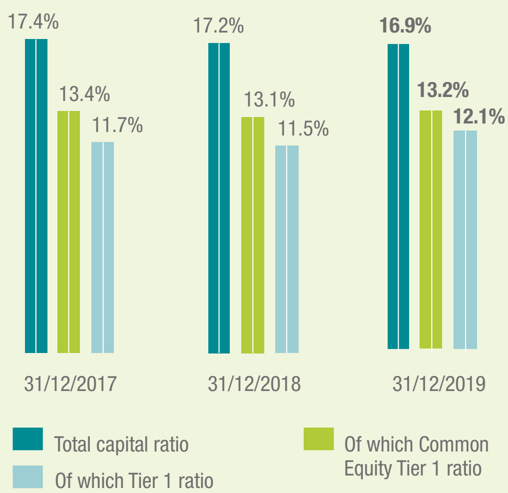
TOTAL EQUITY

(in billions of euros)



FULLY LOADED SOLVENCY RATIOS

(as a percentage)



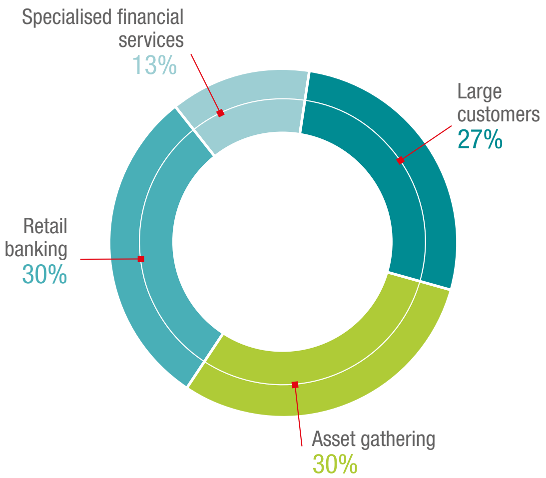
KEY FIGURES

BUSINESS AT 31 DECEMBER 2019

(in billions of euros)	31/12/2019
Total assets	1,767.6
Gross loans[1]	833.8
Customer deposits[2]	848.5

(1) *Gross value of loans and receivables due from credit institutions and due from customers.*
(2) *Including debt instruments issued to customers.*

BREAKDOWN OF REVENUES BY BUSINESS LINE IN 2019[1]



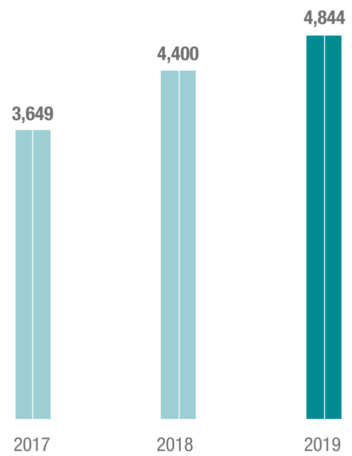
TRENDS IN EARNINGS

Condensed income statement

(in millions of euros)	2017	2018	2019
Revenues	18,634	19,736	20,153
Gross Operating Income	6,431	7,147	7,392
Net income	4,216	5,027	5,458
Net income Group share	3,649	4,400	4,844

Net income Group share

(in millions of euros)



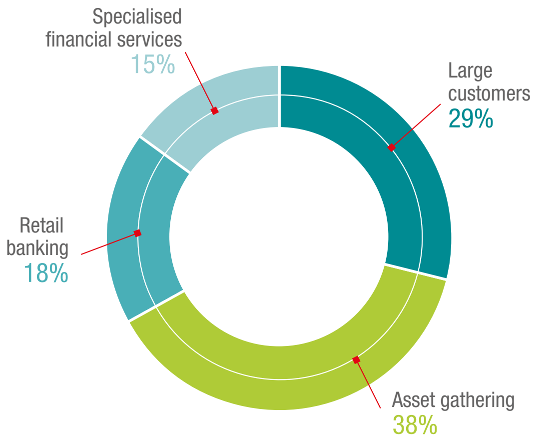
Return on tangible equity (RoTE)

(as a percentage)

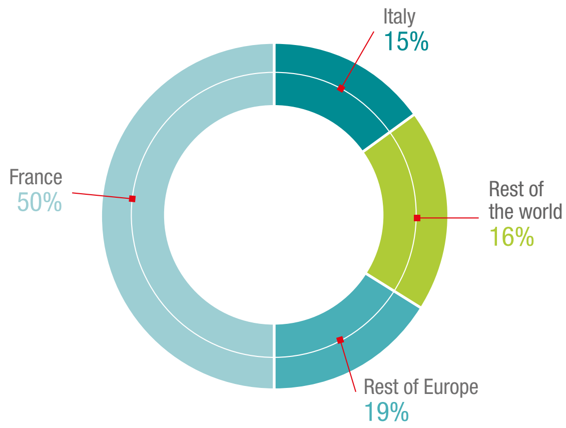
(1) Excluding Corporate Centre.

Refer to the glossary page 647 for the definition of the technical terms.

Breakdown of net income Group share[1] by business line



Breakdown of net income Group share by geographic area



RATINGS AT 15 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	A+(DCR)	A+	Stable outlook	F1	20/11/2019	▪ LT / ST ratings affirmed; ▪ outlook unchanged
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[2]

FTSE4Good EURONEXT vigeo CDP DRIVING SUSTAINABLE ECONOMIES MSCI

(1) Excluding Corporate Centre.
(2) See other CSR ratings in Chapter 2 of this document.

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 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

Refer to the glossary page 647 for the definition of the technical terms.

"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** (6)

FOR CIVIL SOCIETY AND THE ENVIROMENT

- **World's leading** bookrunner for green bond issues (7)
- 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) excluding impact Emporiki, (7) source Bloomberg.

OUR 3 STRATEGIC PILLARS

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

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: 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

(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.

Refer to the glossary page 647 for the definition of the technical terms.

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-2018).

(2) Source: *Office de justification de la diffusion,* ACPM, Médiamétrie, November 2018.

Refer to the glossary page 647 for the definition of the technical terms.

ASSET GATHERING

INSURANCE

Business and organisation

Crédit Agricole Assurances (CAA) is the leading bancassurer in Europe[1] by premium income and the leading insurer in France[2].

Crédit Agricole Assurances's positions are supported by a full and competitive range of products, tailored to the specific requirements of each domestic market and each local partner, as well as by the power of the Crédit Agricole Group distribution network.

Savings and retirement

Crédit Agricole Assurances became the largest provider of personal insurance in France[2].

It offers its customers a wide range of policies for saving, transmitting capital, financing projects or preparing for retirement.

In France, CAA primarily distributes its products to customers of the Regional Banks and LCL: individual customers, high net worth customers, farmers, SMEs and small businesses and corporates.

Internationally, Crédit Agricole Assurances is present through the Crédit Agricole Group entities in Italy, Luxembourg and Poland, where it continues to export and adapt its bancassurer know-how and is continuing its development via distribution agreements with external partners in Italy, Portugal, Japan and Luxembourg.

In addition, it is expanding through alternative networks: independent wealth management advisers, BforBank online bank, network dedicated to health professionals.

Death & disability/creditor/group insurance

Crédit Agricole Assurances is the leading provider of individual death & disability insurance in France[3] and second-largest bancassurer for creditor insurance[4]. A service launched in 2015, group insurance covered around 690,000 people at 31 December 2019.

Individual or group insurance solutions cater for customers wishing to:

- protect themselves and their families from the financial implications of a serious personal accident;
- repay a loan in the event of short-term disability, long-term disability, unemployment thanks to guarantees linked to consumer or home loans;
- provide employees with a supplementary group health and death & disability insurance contract.

The death & disability/health offering works through the banking networks of Crédit Agricole Group, in France and abroad, supplemented in metropolitan France by a network of general agents dedicated to health professionals. In group insurance, CAA and Amundi have joined forces to become a leading provider of social protection for companies. With expertise in creditor insurance, CAA offers its services through some 40 partners, retail banks and specialised finance companies in six countries.

Property & casualty insurance

Crédit Agricole Assurances is the leading car, home[4] and healthcare bancassurer[5] and the fifth-largest insurer of property and liability in France[2].

It offers a full range of property & casualty insurance policies to individual customers and SMEs and small businesses: protection of personal property (car, home, etc.), protection of farming and business assets, protection of mobile electronic devices in the home, legal protection, supplementary health insurance, personal accident cover, specialist policies for the agricultural market, professional liability insurance, card theft protection (in case of fraudulent use of lost or stolen payment instruments).

It markets its products to customers of the Regional Banks, LCL and via a network of general agents for the health professionals sector.

Internationally, CAA is capitalising on the success of its bancassurance model by also deploying its expertise in property & casualty insurance.

2019 HIGHLIGHTS

- Crédit Agricole Assurances confirmed its position as France's leading insurer[2].
- Marketing of individual and collective Retirement Savings Plans (Plans d'Épargne Retraite (PER)) resulting from the Pacte Act to customers of the Regional Banks and LCL.
- Crédit Agricole Assurances is pursuing its international development, through a partnership with the Spanish bank ABANCA, for the creation of a non-life company for the Spanish and Portuguese markets.
- Introduction of the Cyber Protection product range for professionals and businesses.
- Crédit Agricole Assurances reinforces its commitment to reforestation and pledges to plant 500,000 trees per year in cooperation with Reforest'Action and Plantons pour l'Avenir.

(1) Internal source: data at end-2018.
(2) Source: *L'Argus de l'assurance,* 20 December 2019 (data at end-2018).
(3) Source: *L'Argus de l'assurance,* 12 April 2019 (data at end-2018).
(4) Source: *L'Argus de l'assurance,* 18 October 2019 (data at end-2018).
(5) Source: *L'Argus de l'assurance,* 24 May 2019 (data at end-2018).

Refer to the glossary page 647 for the definition of the technical terms.

ASSET MANAGEMENT

Business and organisation

A model of customer-focused services and solutions

Amundi's customer-focused organisation enables it to offer a rich and diversified range of services, savings and investment solutions and management capabilities on a global scale to individuals and institutional and corporate investors. Amundi disseminates its know-how through all investment universes: active management strategies, including so-called alpha management (bonds, equity or multi-asset), passive management (ETF, index management and Smart Beta), and property management (real estate, private equity, unrated debt, infrastructure), as well as services and consulting.

Amundi's know-how is strengthened by its unique expertise in Research and Analysis, and by the Group's presence in the main financial centres, enabling it to best support its customers in their investment decisions.

Amundi uses its experience and close partnerships with distribution platforms and retail networks in Europe, Asia-Pacific and North America to offer tailored solutions, innovative services and added-value investment advice; these offers help meet the needs and risk profiles of its individual customers, taking the market environment into account.

For its institutional and corporate customer base, Amundi draws on its extensive expertise and research-based investment culture to provide a comprehensive, end objective approach.

Listed since November 2015, Amundi remains the leading market capitalisation (€14.1 billion as at 31 December 2019) among traditional listed asset managers in Europe. In bullish stock markets, Amundi's share price closed 2019 at €69.90, up 51% since end-2018.

Strategic ambitions

In 2019, Amundi's results were in line with the announced objectives.

The integration of Pioneer Investments (acquired on 3 July 2017) has been fully completed and cost synergies have been reinvested in growth activities

With its unique business model, its industrial approach and its customer-led organisation, boasting operational efficiency and combining a local presence with a global reach, the Group is well placed to continue its profitable growth based on organic development.

Amundi's ambition is to become a leader in the worldwide asset management industry, recognised for its quality of expertise and services offered to customers, its momentum in terms of development and profitability, and its positioning as a committed financial player.

2019 HIGHLIGHTS

- In line with the partnership initiated in 2018 with the International Finance Corporation (IFC), Amundi continued the creation of new green bond markets:
  - in Asia, with the Asian Infrastructure Investment Bank (AIIB);
  - in Europe, with the European Investment Bank (EIB), to accelerate the energy transition by developing the green credit market for SMEs.
- Announcement of the creation of a joint venture company in asset management in China between Amundi and BOC Wealth Management, a subsidiary of Bank of China.
- Announcement of a strategic partnership in Spain with Banco Sabadell (a 10-year distribution agreement), and acquisition of Sabadell Asset Management.
- Deployment of discretionary portfolio management in Italy.
- Introduction of "Amundi Prime", a new range of ETFs at a very competitive price.
- CPR AM and CDP introduced Climate Action, a new theme fund for international stock dedicated to the fight against global warming.

Refer to the glossary page 647 for the definition of the technical terms.

WEALTH MANAGEMENT

Business and organisation

Shaped by 140 years of experience in supporting families and entrepreneurs worldwide, the Indosuez Wealth Management Group offers a tailored approach, across 14 countries, allowing individual customers to manage, protect and transfer their assets in a manner which best fits their aspirations.

Embracing a global vision, its 3,160 employees provide expert advice and first-class services in both private and professional wealth management.

2019 HIGHLIGHTS

- Following the merger between Banca Leonardo and Indosuez Wealth Management in October 2019, Indosuez Wealth Management has become the single brand for the wealth management activities of the Crédit Agricole Group in Italy.
- The introduction of an action plan in favour of gender diversity based on five axes: development of potential, development of networks, career and succession planning, women's voice, compensation.
- Implementation of initiatives aimed primarily at promoting CSR in asset management. Their goal is to raise client awareness for CSR, set up a range of ESG mandates and funds, develop a socially responsible financing and investment offer and apply SRI ratings to eligible client portfolios.
- The range of structured products offered by Indosuez was also enhanced at the end of 2019 by the addition of eight "green" products, mainly issued by Crédit Agricole CIB.
- Creation of a Global Digital Innovation and Transformation division, to digitise offers and processes and improve customer experience.
- The Indosuez Objectif Terre theme fund, managed by Indosuez Gestion, was established in 2019. It invests in securities of companies that seek to meet the challenges of climate change.

RETAIL BANKING

LCL

LCL is the only domestic network bank to focus exclusively on retail banking and insurance.

As part of its Demain 2022 Medium-Term Plan, the ambition of LCL is to be the leading bank and insurance company in the city, which cultivates and develops its expertise thanks to the excellence of its customer relations, in a collective dynamic of development to strengthen its attractiveness and sustainable profitability.

Business and organisation

As a universal bank and insurer, LCL offers its customers solutions that are tailored to their needs, drawing on its expertise and the wealth of know-how of the Crédit Agricole Group. LCL caters for all kinds of customers, from individuals and SMEs and small businesses to private banking and wealth management, corporates and institutional customers.

Capitalising on its strategic urban presence, LCL has adapted its approach and services to cover the whole of mainland France, as well as the West Indies-French Guiana.

LCL now has a network of nearly 1,700 branches, plus remote "LCL Mon Contact" customer service centres and digital solutions such as the "LCL MesComptes" app and websites, giving its customers complete freedom in using its banking services.

Whether in-branch or online, LCL is committed to fully understanding the needs of its customers. By rethinking and digitising certain processes such as opening an account or taking out a mortgage loan, a commercial loan or an insurance, it seeks to facilitate subscription to its main products.

LCL Banque Privée has 200,000 private banking clients. Dedicated advisers work with regional centres of expertise to offer comprehensive, tailored advice on finance, day-to-day banking and the management of real estate and financial assets. The 73 private banking centres offer peace and quiet and complete privacy for analysis, advice and decision-making.

The 354,000 SMEs and small businesses – skilled craft workers, retailers, professionals and other small businesses – also benefit from the support of 1,240 specialist advisers and the creation of 91 "Espace Pros" business areas. Advisers serve as a single contact point to help their customers manage their daily affairs and achieve their business and personal projects. LCL is a major player in the financing of professionals, granting loans of €2.4 billion through its subsidiary Interfimo.

LCL Banque des Entreprises relies on its national network of 71 geographic locations to provide its 29,900 customers with its full range of expertise in Paris and throughout the rest of France: corporate financefor SME takeovers and acquisitions, market activities, international trade and payments, employee savings.

As a player of choice in the Mid-Capssector, LCL is today the bank to nearly half of all Mid-Caps.

LCL Banque des Entreprises also reaffirms its comprehensive approach and its desire to assist executives with their wealth management plans by expanding its Wealth Management teams in Paris and across France.

To assist the networks, the back-office, electronic payments and flow management and support functions serve all customers and make an active contribution to operational excellence.

Refer to the glossary page 647 for the definition of the technical terms.

2019 HIGHLIGHTS

- LCL continues to anchor the positioning of the "LCL Ma vie. Ma ville. Ma banque" brand started in 2018, thanks to the launch of "My City Our Ideal" short programs and the introduction of events (LCL start-up days, Ville Makers).
- LCL accelerates the modernisation of its network: by the end of 2019, 560 branches were renovated with the goal of reaching 1,000 branches by the end of 2020.
- LCL creates a link between its customers by launching CityStore, the first urban shopping network.
- LCL renders its 17,300 employees actors of customer satisfaction with the launch of the "J' ❤ Mon Client" charter consisting of 10 strong commitments.
- "LCL MesComptes" was chosen as the best banking app, for the third year running, at the 2020 Trophées de la Banque awards organised by Meilleurebanque.com.
- LCL is adopting rules and principles that are equal to the environmental challenges by equipping its agencies with tools for dematerialisation at the source and by increasing the use of electronic signatures on documents.

INTERNATIONAL RETAIL BANKING

Business and organisation

Within Crédit Agricole S.A., the "International Retail Banking" (IRB) division is responsible for overseeing and developing Crédit Agricole's IRB entities according to the Group's standards and guidelines. It has three main tasks:

- to act on behalf of Crédit Agricole S.A. as shareholder and integrator with the Group's operations;
- to draw up strategic guidelines in consultation with the international retail banks to optimise their market performance;
- to create added value for the international retail banks and deliver results through synergies with the Group's business lines, LCL and the Regional Banks, as well as among the different international retail banks themselves.

The IRB division thus has operational responsibility for the proper functioning and performance of these banks. It oversees and supports their development and ensures that they comply with Group standards, particularly as regards transaction processing, regulatory aspects, etc. Lastly, the IRB division plays a key role in implementing new customer service and relationship development models.

The main activities and characteristics of the seven international retail banks – located in Poland, Romania, Serbia and Ukraine in Eastern Europe, in Morocco and Egypt, as well as in Italy – are as follows:

Crédit Agricole Italia

Retail Banking in Italy integrates the networks of Gruppo Bancario Crédit Agricole Italia ("CA Italia"), namely CA Cariparma, CA Friuladria and CA Carispezia (legal merger with CA Italia in July 2019) and the three banks (Cassa di Risparmio – CR) of Cesena, Rimini and San Miniato that were acquired at the end of December 2017 and merged into CA Italia. They all now operate under the brand name Crédit Agricole.

CA Italia is active in the Emilia Romagna and Tuscany regions, among the richest in Italy. It is the masthead for the Group's presence in Italy, Crédit Agricole's second domestic market after France, where all the Group's business lines are present (consumer finance, corporate and investment banking, asset management, insurance, custody and fund administration, and wealth management services).

The close collaboration and synergies developed between the commercial network of the banks and the business lines enables Crédit Agricole to offer a wide and integrated product range in Italy, aimed at all economic players.

Through its distinctive customer-led positioning, Crédit Agricole Italia is a retail bank covering all market segments: Individuals – Professionals, SMEs, Large Corporates, Agricultural and Food Processing, Private Banking.

CA Italia has 962 branches and 9,354 employees and serves over 2 million customers, with a balance sheet totalling €65 billion.

2019 HIGHLIGHTS

- Launch of the 2022 Mid-Term Plan in Italy, in line with the Group MTP
- New positioning of CA Italia closer to its customers, "La banca al passo con la tua vita" (The bank that follows the rhythm of your life)
- Launch of Push Code, the new strong authentication service for private and SME customers
- Launch of the Crowdforlife platform for the development of actions for the benefit of the territories and the population (inclusion)
- Signing the "Charter of women in banking" and the "Charter of respect" at work
- Development of Village by CA in Milan and next opening in Parma
- Rating: Baa1 according to Moody's - September 2019

PRIZES AND AWARDS

- Label TOP* in 6 categories related to customer satisfaction – source: German Institute for Quality and Finance 2019
- Label "Top Employer in Italy" for the 11th consecutive year– source: ITQF- 2019

CSR AWARD

- LEED Platinum Certification for CA Green Life, the new headquarters of Crédit Agricole Italia
- Long-term commitment to Plastic Odyssée with the entities of the Crédit Agricole Group

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole's six other international retail banks:

Entity	Number	Total assets *(in billions of euros)*	Highlights of 2019	Positioning/Rating
CA Bank Polska	403 branches 1,508,000 customers 4,103 employees	5.7	▪ Launch of PMT 2022 ▪ New main office in the centre of Wroclaw, as part of a comprehensive programme of environmental protection and a new way of collaborative work favouring innovation ▪ Launch of an application for opening accounts through mobile devices (CAmobile24) ▪ Launch of Google Pay and Apple Pay	▪ "Wellbeing Leader 2019" certificate, an employee work-life balance program ▪ "Konto dla Ciebie" voted best private bank account in Poland, Economy portal Money pl. ▪ Leading position on the leasing market (via subsidiary EFL)
CA Egypt	79 branches 381,000 customers 2,496 employees	2.8	▪ First year of the IMPACT business project ▪ Three branches under the "Banki Store" innovative concept ▪ Most Innovative Bank Award" in Egypt, source: Global Business Outlook 2019 ▪ Award of Excellence from the Arab Digital Bank for "Banki Mobile", source: Union Arabe des Banques, March 2019 ▪ Best private bank in Egypt source: Global Business 2019 ▪ Financial inclusion initiatives with Central Bank of Egypt	▪ Fitch rating: AA+ stable in November 2019 ▪ One of only two banks in the flagship index of the Cairo Stock Exchange (EGX 30)
CA Ukraine	150 branches 392,000 customers 2,405 employees	1.3	▪ Modernisation of the sales agency network, integrating the digital agency concept ▪ Continued digitisation of the bank ▪ First project financing in the RE sector	▪ Fitch B rating (higher level for local banks) - September 2019 ▪ Top 3 of agricultural banks in Ukraine - source Business magazine rating 2019 ▪ No.1 in car loans ▪ No.1 in business savings - source Financial Club Awards – 2019
Crédit du Maroc	323 branches 685,000 customers 2,539 employees	5.3	▪ Growth in lending, dynamic inflow of funds and growing bancassurance activity ▪ Launch of Digital Factory at Crédit du Maroc ▪ Commitment to Moroccan microfinance with the Fondation Grameen Crédit Agricole	▪ Moody's rating: Ba1/NP and Ba2/NP for deposits in local currency and foreign currency respectively ▪ ISO 9001 certification, version 2015 confirmed (scope of international import and export transactions)
CA Serbia	74 branches 296,000 customers 881 employees	1.0	▪ 1st opening of a branch under "new concept" ▪ Successful launch of 24/7 instant payments ▪ Numerous CSR initiatives (waste collection, tree planting etc.)	▪ No. 1 in car financing for individuals with 44% market share (source: NBS) ▪ No. 2 in agricultural financing with 21.5% market share, source: Crédit Buro, NBS
CA Romania	14 branches 16,000 customers 274 employees	0.492	▪ Completion of numerous synergy transactions with the Group to support business customers in Romania ▪ Reorientation of corporate activity, agricultural and food processing activities	▪ Bank focused on companies and the agricultural and food processing markets

Crédit Agricole S.A. also has holdings in other European countries other than the Regional Banks. It owns 5% of Bankoa in the Spanish Basque region and 5% of Crédit Agricole Next Bank in Switzerland.

Refer to the glossary page 647 for the definition of the technical terms.

SPECIALISED FINANCIAL SERVICES

CONSUMER FINANCE

Business and organisation

A key player in consumer finance, Crédit Agricole Consumer Finance (CA Consumer Finance) offers its customers and partners a range of flexible, responsible financing solutions, tailored to their needs.

CA Consumer Finance is composed of the following entities: Agos (Italy, 61% owned), CreditPlus Bank (Germany), CA Nederland (Netherlands), CA Consumer Finance (activities in France and Group consolidation, head office services), Credibom (Portugal), Wafasalaf (Morocco, 49% owned), FCA Bank (50/50 joint venture with Fiat Chrysler Automobiles, present in 17 European countries and Morocco), GAC Sofinco AFC (50/50 joint venture with Guangzhou Automobile Group CO, in China) and Bankia CA-CF (Spain, 51% owned).

Present in 17 countries in Europe, as well as in China and Morocco, CA Consumer Finance draws on its know-how and expertise to improve its own customer satisfaction, its commercial success and the customer retention policies of its banking, institutional, distribution, and automotive partners. Committed to helping its customers balance their budgets, the Group supports its most vulnerable customers by teaching them how to manage their finances and avoid taking on too much debt.

In addition to sustained commercial and financial momentum, 2019 saw the achievement of the objectives of the CA-CF 2020 strategic plan, including:

- growth in activity of CA Consumer Finance on behalf of local banks of the Crédit Agricole Group, in France, Italy and Morocco (assets managed on behalf of the Group up 8.3% at end-2019). **Crédit Agricole's Regional Banks increased their share of the consumer credit market by 1.5% over the duration of the CA-CF 2020 plan;**
- agreement with Bankia, the fourth-largest Spanish bank, to create a joint venture enabling CA Consumer Finance to support its partners in Spain, the fourth-largest Eurozone market for consumer credit, and to support its partners there;
- extension of the agreement with Banco BPM in Italy;
- renewing the partnership with Fiat Chrysler Automobiles;
- signing agreements with Tesla in the Netherlands and France;
- continued deployment of rental offers in the automotive (Agilauto in France, deployment in Europe of solutions from Leasys, a subsidiary of FCA Bank) and household equipment (Ligne Roset in France) sectors, responding to customers' new uses.

In parallel, CA Consumer Finance continues to innovate and invest in digital technology to provide its partners with the best solutions, and to make the customer experience even smoother. The Group cooperates with start-ups, for instance as part of Start & Pulse, its international open innovation programme.

Furthermore, the Group continued to strengthen its self-financing capacity at 88%[1], with the objective set out in CA CF 2020 of at least 70%.

2019 HIGHLIGHTS

- Growth of 4.0% in production and 4.0% in assets managed by CA Consumer Finance in 2019 compared to 2018.
- Renewing the partnership with Fiat Chrysler Automobiles.
- Signing agreements with Tesla.
- No. 1 or 2 in customer recommendations on its markets.

Share of digitised production: 61%.

12,300 files belonging to financially fragile customers processed.

LEASING & FACTORING

Business and organisation

Crédit Agricole Leasing & Factoring (CAL&F) is one of the Group's subsidiaries with expertise in specialised financing. With €22.9 billion in managed assets of which 25% internationally[1], it is a major player in leasing, factoring and the financing of renewable energy in France and in Europe.

CAL&F supports companies of all sizes, both in their investment projects in equipment and real estate, and in the financing and management of their trade receivables.

CAL&F works closely with the Group's retail banks in France and internationally, as well as with non-banking partners. With its regional presence, it is close to economic actors and supports its customers outside France via nine entities in Europe and Morocco.

Lease financing

CAL&F offers lease financing solutions designed to meet the needs of businesses looking to invest in and replace equipment. These include equipment lease financing, finance leasing, IT operational leasing and property lease financing.

Factoring

CAL&F provides trade receivable financing and management solutions for corporates and small businesses, both for their day-to-day operations and for their expansion plans, in France and internationally: financing, dunning and collection of trade receivables, guarantee against insolvency risk and managed services.

Through its international network, CAL&F supports its customers and partners in the main European countries and overseas.

(1) At end December 2019.

Financing for energies and regions

Through its subsidiary Unifergie, CAL&F assists corporates, local authorities and farmers, actors in the energy transition, with financing renewable energy projects (wind or solar farms, biomass projects, etc.) or energy efficiency schemes (cogeneration plants, etc.), as well as public infrastructure projects (funding for local authorities or their private-sector partners in the context of public/private partnerships or public service outsourcing).

2019 HIGHLIGHTS

- For CAL&F, 2019 was the year in which the success of its "Greenlease" leasing distribution model becomes a reality.
- This year, CAL&F has adopted its common values: customer satisfaction, respect and responsibility.
- In order to support its international development, CAL&F has set up an organisation on a European scale with the establishment of an Executive Committee, the creation of *business units* or structures that cover the scope of the CAL&F Group.
- Lastly, 2019 saw the establishment of a common strategy between CA Bank Polska and EFL: CAL&F is now Honda's exclusive financial partner in Poland.
- The energy sector club led by Unifergie was created to coordinate "green" action within the Group.

LARGE CUSTOMERS

CORPORATE AND INVESTMENT BANKING

Business and organisation

Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB) offers the corporate and financial institution customers of the Crédit Agricole Group a wide range of products and services in the areas of investment banking, structured finance, international transaction and commercial banking, capital markets and syndication.

Customer relations are the responsibility of Senior Bankers. In 2019, their consolidation into a single entity marks a new step in the implementation of a customer-centric organisation. The strengthening of links with the Investment Banking teams also enables the strategic dialogue with clients to be intensified.

The main tasks of the **Structured Finance** division include originating and structuring complex finance deals, mostly backed by collateral, advising on strategy and financing, and providing worldwide coverage of aviation and rail, infrastructure, oil & gas, maritime, Telecom, Media, Technology, Utilities and Power and Private Equity funds. In 2019, structured finance retained its leadership position, especially in the key sectors of Crédit Agricole CIB, aviation and rail, by maintaining prudent risk management.

The **debt optimisation & distribution** business line is responsible for originating, structuring and arranging medium and long-term bilateral and syndicated loans for customers, as well as the underwriting and primary and secondary distribution of syndicated loans with banks and non-banking institutional investors. Despite an unfavourable market environment in 2019 (in terms of number of deals, the syndication market is at its lowest level since 2012 and the M&A market at its lowest level since 2014), the business line confirmed its market leadership: second bookrunner in EMEA at end-December and first at end-September in the syndicated loan sector and improved rankings in the other regions of the world (league table).

Transaction banking and international trade mainly assists customers with managing their international trade and guarantee needs, in their working capital financing needs, in particular through trade receivables repurchase solutions (supply chain finance), and in their cash management needs. In 2019, activities in this sector continued to evolve favourably, notably thanks to the development of the offer, despite a less favourable global economic context.

The main mission of the **Investment Bank** is to offer a full range of high value-added solutions to deal with the strategic issues of our major customers. The year 2019 was rich in M&A transactions, particularly in CACIB's main areas of expertise.

Market banking covers all sales, structuring and trading activities on the fixed income, foreign exchange, credit and equity derivatives markets, as well as securitisation and treasury activities. Capital market activities performed well in 2019.

2019 HIGHLIGHTS

- The year 2019 was marked by several changes in Crédit Agricole CIB's organisation: a new governance system with a tighter Executive Committee, the creation of a *"Global Coverage and Investment Banking"* (CIB) division that brings together the various units of Coverage with the Bank's investment banking business lines. With its new 2022 strategic plan, Crédit Agricole CIB has defined differentiating sectors in which the bank benefits from long-standing expertise: infrastructure, construction and concessions, electricity, utilities and renewables, telecom, media and technology, insurance, real estate, transport, automotive, agribusiness.
- As part of the Group Project and 2022 Medium-Term Plan, Crédit Agricole CIB presented its strategy and objectives for 2022.
- Launch of *the Data Architecture* Convergence programme to review data architecture. This programme is at the heart of the Bank's long-term digital strategy and enables it to better respond to the challenges of the 2022 Medium Term Plan.
- Crédit Agricole CIB is the world's leading bookrunner for green bond issues (all currencies, by volume and market share). In 2019, the Bank continues to innovate for its clients: it participated in the issuance of the *first ever Sustainability* Linked Bond for Enel and a first transition bond subscribed by AXA.

Refer to the glossary page 647 for the definition of the technical terms.

ASSET SERVICING

Business and organisation

For 69.5% owned by Crédit Agricole S.A and 30.5% by Santander, CACEIS is an international banking group and a European market leader in custodian bank and fund administration services. CACEIS is a major partner in several Crédit Agricole S.A. Group entities.

With more than 4,500 employees (FTEs) in 15 countries, CACEIS offers a complete range of Asset Servicing solutions. The Group's competence centres in Europe provide uniform, reliable services to all customers, regardless of their geographical location. A local commercial team and local experts are present in each establishment to enhance local relations with customers.

CACEIS is taking part in a process of innovation and digital transformation for its customers and employees. CACEIS is at the forefront of technological developments such as Artificial Intelligence, Robotics and Blockchain to ensure greater security, reliability and efficiency for its customers.

2019 HIGHLIGHTS

- Acquisition of KAS Bank, a long-standing player in securities custody and fund administration in the Netherlands recognised for its expertise in pension fund services.
- Combination of Santander Securities Services and CACEIS, 100% of the activities in Spain and 49.9% of the activities in Latin America (Brazil, Colombia, Mexico) were added to CACEIS. Following these transactions, Crédit Agricole and Santander own 69.5% and 30.5% of CACEIS, respectively.
- Innovation award for its approach to improving the user experience with the CACEIS Innovation Lab collaborative platform, which is open to customers.
- Honour for Transparency of Information for its "ESG Reporting & Climate" range.

CORPORATE CENTRE

CACIF – CRÉDIT AGRICOLE CAPITAL INVESTISSEMENT & FINANCE

CACIF holds the investments of Crédit Agricole S.A., the Regional Banks and LCL in unlisted companies through dedicated funds, most of which are managed by its subsidiary IDIA Capital Investissement (capital development supporting French mid-caps and SMEs in all business sectors, with recognised expertise in agriculture, food processing and wine-making, energy transition, health and tourism).

CACIF also provides services through SODICA Corporate Finance, specialising in M&A, financial engineering and mid-cap stock market advisory services in all sizes (agriculture, food processing, real estate, wine-making, aeronautics, health, tourism, etc.). SODICA is the Group's listing sponsor on Euronext Growth.

2019 HIGHLIGHTS

IDIA Capital Investissement:

- Creation of the first proprietary banking investment fund, CA Transitions, dedicated to energy, agricultural and agri-food transitions.
- Creation of the LCL Croissance fund, a partnership between LCL, IDIA Capital Investissement and Crédit Agricole S.A., designed to provide long-term (5 to 10 years) support for small and medium-sized businesses and SMEs.
- Second evening dedicated to Private Equity organised by IDIA Capital Investissement in the presence of numerous CEOs of the Regional Banks, SCIRs and Company directors (300 attendees).
- Policy of monitoring the social and environmental performance of 100% of its investment portfolio.

SODICA Corporate Finance:

- A new expert joins the team of SODICA Agro.

Refer to the glossary page 647 for the definition of the technical terms.

CRÉDIT AGRICOLE IMMOBILIER

As the Group's real estate specialist, Crédit Agricole Immobilier builds, sells and manages housing and offices for its territories and customers, incorporating new urban and environmental constraints.

As a trusted partner, it supports real estate projects of private individuals through its residential property development and property administration services (Crédit Agricole Immobilier and Square Habitat), while businesses, local authorities and institutions benefit from its office development, property management and commercial property services.

A major player in providing access to housing and regional economic development, Crédit Agricole Immobilier coordinates a range of local and national expertise, in synergy with the Group entities.

2019 HIGHLIGHTS

- Winner of the "Dessine-moi Toulouse" call for projects with Agriville, an agricultural urban planning concept in the heart of a five-hectare park that has been completely redeveloped and will house housing, community spaces, shops, local services and urban agricultural activities.
- Winner of the *"Reinventing cities"* call for projects for the urban redevelopment of Porte de Montreuil. This 58,000 sq.m. project is one of the first in France to aim for zero carbon, both while under construction and when in use.

Deployment of the Customer Area, accessible through www.ca-immobilier.fr. This new personalised and secure area allows buyers to consult, with one click, the progress of the construction site, their payment schedule and all the contractual documents relating to their real estate project.

Recognised by the BBCA ("Bâtiment Bas Carbone") association for its commitment to energy transition and the reduction of the carbon footprint of buildings, Crédit Agricole Immobilier is now ranked 5th most virtuous promoter in terms of sustainable construction.

UNI-MÉDIAS

Uni-médias, a press subsidiary of Crédit Agricole S.A., is one of the top eight magazine publishers in France (source: *Plimsoll)* and continues to be one of the most profitable in the industry, with revenues of almost €93 million.

Fully integrated with the Group's Customer Project, in 2019 Uni-médias accelerated its digital transformation to become a media group focused on services and data at important moments in customers' lives.

2019 HIGHLIGHTS

- *Dossier Familial* is confirmed as the leading French monthly magazine. It has a circulation of close to 1 million paid copies[1].
- No. 1: *Parents, Maison Créative, Détente Jardin, Régal, Détours en France and Secrets* d'Histoire (ahead of *Historia*).
- Strong growth in digital business with +40%.

Redesign of the Dossier Familial *service platform* and the Parents *sites.*

Reinforced editorial approach to raise readers' awareness of good daily "Green" gestures.

CRÉDIT AGRICOLE PAYMENT SERVICES

At the heart of customer relations, payments are one of the focal points of the Crédit Agricole Group's MTP 2022, which aims to "make payments a major driver of customer loyalty and new acquisition". As the bearer and guarantor of this strategic ambition, Crédit Agricole Payment Services carries out the following missions for the Group in the field of payments: strategy steering, innovation and design of offers, distribution coordination, operation of processing platforms, supervision of operations, transaction security, interbank representation.

2019 HIGHLIGHTS

- Launch of instant payment, first for receiving and later for sending, with *"Paylib entre amis"*.
- Launch of Samsung Pay.
- Deployment of SecuriPass, an innovative strong authentication service for online shopping and online banking. A recipient of the FIDES 2019 FReD Award, 1.5 million customers already enrolled to this service at the end of December.
- Experimentation with the biometric bank card (launch planned for 2020).
- Launch of "Payment Contest", an educational video game about payments, intended for Group employees.

Success of the "My Card" application (more than one million customers enrolled, ranked in the top 10 banking applications on the main app stores).

Expansion of the used bank card recycling program, to reduce the carbon footprint and recycle rare metals.

See the detail of operating segment information on page 473.

(1) Source: *Office de justification de la diffusion,* ACPM, Médiamétrie, November 2018.

HISTORY

1885

Creation of the first Local Bank in Poligny (Jura).

1894

Law authorising the creation of the first *"sociétés de crédit agricole"*, later named *Caisses locales de crédit agricole mutuel* (Local Banks of Crédit Agricole Mutuel).

1899

Law grouping the Local Banks into Crédit Agricole Regional Banks.

1920

Creation of Office National du Crédit Agricole, which became *Caisse Nationale de Crédit Agricole* (CNCA) in 1926.

1945

Creation of *Fédération Nationale du Crédit Agricole* (FNCA).

1959

Decree allowing Crédit Agricole to make home loans, in rural areas, to non-farm households.

1986

Creation of Predica, life insurance company of the Group.

1988

Law reorganising the CNCA as a mutual company, which became a public limited company owned by the Regional Banks and the Group's employees.

1990

Creation of Pacifica, property and casualty insurance company of the Group.

1996

Acquisition of Banque Indosuez.

1999

Acquisition of Sofinco and an initial stake in Crédit Lyonnais.

2001

Reincorporation of the CNCA as Crédit Agricole S.A. and listing on the stock market on 14 December 2001.

2003

Acquisition of Finaref and Crédit Lyonnais (now LCL).

2006

Acquisition of Cariparma, FriulAdria, 202 branches of Banca Intesa in Italy, and Emporiki Bank in Greece.

2008

Strategic refocusing of Corporate and Investment Banking activities.

2009

Crédit Agricole Asset Management and Société Générale Asset Management combine to form Amundi.

2010

Creation of Crédit Agricole Consumer Finance (merger between Sofinco and Finaref) and Crédit Agricole Leasing & Factoring (merger between Crédit Agricole Leasing and Eurofactor).

2011

- Acquisition in Italy of 172 branches from Intesa Sanpaolo S.p.A.
- Presentation of Crédit Agricole Group's "Commitment 2014" strategic plan.

2013

- Sale of Emporiki Group to Alpha Bank.
- Disposal of the stockbrokers CLSA and Cheuvreux.
- Disposal of the equity investment in Bankinter.

2014

- Presentation of Crédit Agricole Group's 2016 Medium-Term Plan.
- Sale of the 50% stake in Newedge to Société Générale and simultaneous acquisition of an additional 5% stake in Amundi's capital (from then on 80% owned).
- Refocusing with the disposal of Nordic subsidiaries of Crédit Agricole Consumer Finance, Crédit Agricole Bulgaria and BNI Madagascar.

2015

- IPO of Amundi, with a reduction of Crédit Agricole Group's stake to 75%.
- Sale of Crédit Agricole Albania to Corporate Commercial Bank AD.

2016

- Announcement and completion of the transaction to simplify the Group's ownership structure (Eureka).
- Presentation of Crédit Agricole Group's 2020 Strategic Ambitions Medium-Term Plan.
- Announcement of the acquisition of Pioneer Investments by Amundi.

2017

- Sale of the entire stake in Eurazeo (15.42% of the capital) to the Decaux family.
- Finalisation of Amundi's acquisition of Pioneer Investments, with a reduction of the Crédit Agricole Group stake to 70%.
- Sale of a part of the stake (16.2% of 31.1%) in Banque Saudi Fransi to Kingdom Holding Company (KHC).
- Announcement of the acquisition of Banca Leonardo in Italy by Indosuez Wealth Management.
- Acquisition of a stake of more than 95% in the Cesena, Rimini and San Miniato Savings Banks.
- Acquisition of the remaining 15% stake held by Natixis in CACEIS.

Refer to the glossary page 647 for the definition of the technical terms.

2018

- Creation of a joint venture in Spain in consumer credit between Bankia and Crédit Agricole Consumer Finance.
- Creation of Azqore, a joint technological platform between Capgemini and Indosuez Wealth Management.
- Signing of an agreement on electronic payments between Wirecard and Crédit Agricole Payment Services.
- Finalisation of the acquisition of Banca Leonardo in Italy by Indosuez Wealth Management.
- Entering into an exclusive partnership agreement in life insurance with Credito Valtellinese and acquisition of a 5% interest in life insurance.
- Announcement of the acquisition of a further 25% in GNB Seguros by Crédit Agricole Assurances.

2019

- Presentation of the Group project and of the 2022 Medium-Term Plan.
- Announcement and signing of an agreement between CACEIS and KAS BANK for a friendly takeover bid by CACEIS for the entire share capital of KAS BANK.
- Signing of a partnership agreement between ABANCA and Crédit Agricole Assurances for establishing a non-life company for the Spanish and Portuguese markets.
- Merger between CACEIS and Santander Securities Services to create a leading actor in institutional financial services.
- Strengthening and extending the partnership between Crédit Agricole Consumer Finance and Banco BPM for consumer credit in Italy for 15 years.
- Finalisation by Crédit Agricole CIB of the sale of 10.9%of Banque Saudi Fransi to a consortium led by Ripplewood.
- Signing of the extension of the joint venture of FCA Bank between Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles until December 2024.

HIGHLIGHTS OF 2019

The following press releases are incorporated by reference in this Universal registration document.

FEBRUARY

- Unchanged ECB capital requirement levels for Crédit Agricole Group and Crédit Agricole S.A.
- Crédit Agricole S.A. successfully issues USD 1.25 billion Additional Tier 1 perpetual super-subordinated revolving fixed-rate super subordinated bonds.
- CACEIS and KAS BANK announce an agreement for a friendly takeover bid by CACEIS for the entire share capital of KAS BANK.

MARCH

Crédit Agricole CIB sells an interest of 4.9% of Banque Saudi Fransi to a consortium led by Ripplewood.

APRIL

Crédit Agricole S.A. and Santander sign a memorandum of understanding to merge their custody and asset servicing activities and create a leading player.

MAY

- Bond emission by Crédit Agricole S.A. exchangeable into shares of Eurazeo maturing on 3 October 2019.
- General Meeting of Crédit Agricole S.A.

JUNE

Group Project and the 2022 Medium-Term Plan presented on 6 June 2019.

JULY

- ABANCA and Crédit Agricole Assurances announce the signing of a partnership agreement to form a non-life company for the Spanish and Portuguese markets.
- Strengthening and extending the partnership between Crédit Agricole Consumer Finance and Banco BPM for consumer credit in Italy for 15 years.
- Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles extend their FCA Bank joint venture until December 2024.
- Friendly takeover bid by CACEIS for the entire share capital of KAS BANK.

Refer to the glossary page 647 for the definition of the technical terms.

SEPTEMBER

Upgrade by Moody's of the long-term credit rating of the Regional Banks, Crédit Agricole S.A., and Crédit Agricole CIB.

OCTOBER

- Final result of the takeover bid by CACEIS of KAS BANK: 97.07% of KAS BANK shares transferred to CACEIS.
- Following the merger between Banca Leonardo and Indosuez Wealth Management finalised in October 2019, Indosuez Wealth Management became the single brand for Crédit Agricole Group's wealth management activities in Italy.

NOVEMBER

- France's Council of State *("Conseil d'État")* issues a decision recognising the deductibility of a charge borne by Crédit Agricole S.A. in 2012 on the occasion of the disposal of the Greek bank Emporiki for €1,038 million.
- Crédit Agricole S.A. opens the Panda market for European GSIB banks, with a three-year benchmark bond issue of CNY 1 billion.
- Crédit Agricole CIB finalises the sale of 6.0% of the share capital of Banque Saudi Fransi to Ripplewood.

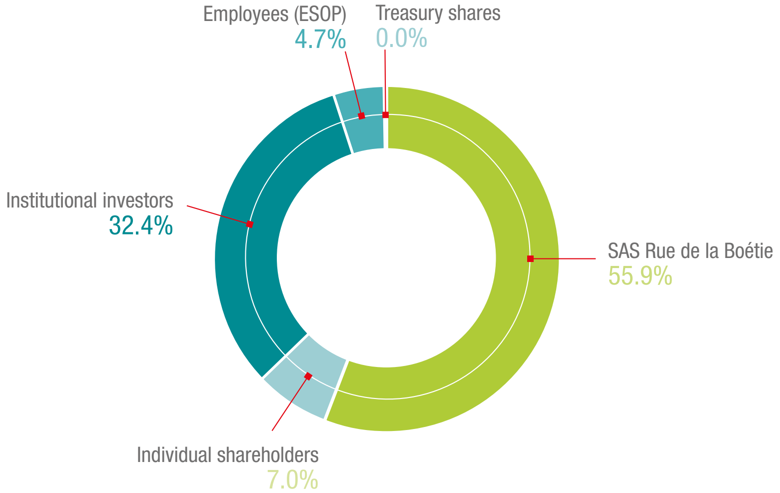
DECEMBER

- Crédit Agricole S.A. and Santander announced the completion to merge CACEIS and Santander Securities Services operations to create a leading actor.
- Crédit Agricole CIB presented the details of its strategy and its 2022 objectives.
- Impairment of goodwill on LCL of approximately €600 million, with no impact on solvency or dividends.
- Prudential capital requirements notified by the ECB remain unchanged for 2020.

Date of issuance	Press release title	Annex 1 2019/980 regulation
February 2019	Unchanged ECB capital requirement levels for Crédit Agricole Group and Crédit Agricole S.A.	8.1
February 2019	Crédit Agricole S.A. successfully issues USD 1.25 billion Additional Tier 1 perpetual super-subordinated revolving fixed-rate super subordinated bonds.	8.1
February 2019	CACEIS and KAS BANK announce an agreement for a friendly takeover bid by CACEIS for the entire share capital of KAS BANK.	5.7
March 2019	Crédit Agricole CIB sells an interest of 4.9% of Banque Saudi Fransi to a consortium led by Ripplewood.	5.7
April 2019	Crédit Agricole S.A. and Santander sign a memorandum of understanding to merge their custody and asset servicing activities and create a leading player.	5.7
May 2019	Bond emission by Crédit Agricole S.A. exchangeable into shares of Eurazeo maturing on 3 October 2019.	8.1
May 2019	General Meeting of Crédit Agricole S.A.	19
June 2019	Group Project and the 2022 Medium-Term Plan presented on 6 June 2019.	5.4
July 2019	ABANCA and Crédit Agricole Assurances announce the signing of a partnership agreement to form a non-life company for the Spanish and Portuguese markets.	5.7
July 2019	Strengthening and extending the partnership between Crédit Agricole Consumer Finance and Banco BPM for consumer credit in Italy for 15 years.	5.7
July 2019	Crédit Agricole Consumer Finance and Fiat Chrysler Automobiles extend their FCA Bank joint venture until December 2024.	5.7
July 2019	Friendly takeover bid by CACEIS for the entire share capital of KAS BANK.	5.7
September 2019	Upgrade by Moody's of the long-term credit rating of the Regional Banks, Crédit Agricole S.A., and Crédit Agricole CIB.	
October 2019	Final result of the takeover bid by CACEIS of KAS BANK: 97.07% of KAS BANK shares transferred to CACEIS.	5.7
October 2019	Following the merger between Banca Leonardo and Indosuez Wealth Management finalised in October 2019, Indosuez Wealth Management became the single brand for Crédit Agricole Group's wealth management activities in Italy.	5.7
November 2019	France's Council of State ("Conseil d'État") issues a decision recognising the deductibility of a charge borne by Crédit Agricole S.A. in 2012 on the occasion of the disposal of the Greek bank Emporiki for €1,038 million.	18.6
November 2019	Crédit Agricole S.A. opens the Panda market for European GSIB banks, with a three-year benchmark bond issue of CNY 1 billion.	8.1
November 2019	Crédit Agricole CIB finalises the sale of 6.0% of the share capital of Banque Saudi Fransi to Ripplewood.	5.7
December 2019	Crédit Agricole S.A. and Santander announced the completion to merge CACEIS and Santander Securities Services operations to create a leading actor.	5.7
December 2019	Crédit Agricole CIB presented the details of its strategy and its 2022 objectives.	5.4
December 2019	Impairment of goodwill on LCL of approximately €600 million, with no impact on solvency or dividends.	7.1
December 2019	Prudential capital requirements notified by the ECB remain unchanged for 2020.	8.1

INFORMATION ON THE SHARE CAPITAL AND SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31 DECEMBER 2019



CHANGE IN SHARE OWNERSHIP OVER THE PAST THREE YEARS

The table below shows changes in the ownership of Crédit Agricole S.A. over the past three years:

	Position at 31/12/2019			Position at 31/12/2018	Position at 31/12/2017
Shareholders	**Number of shares**	**% of voting rights**	**% of share capital**	**% of share capital**	**% of share capital**
SAS Rue La Boétie[1]	1,612,517,290	55.91	55.90	56.26	56.64
Treasury shares[2]	435,000	-	0.02	0.15	0.08
Employees (ESOP, PEE)	134,900,173	4.68	4.68	4.42	4.01
Institutional investors	935,277,425	32.43	32.43	31.90	31.93
Individual shareholders	201,558,824	6.99	6.99	7.27	7.34
TOTAL	**2,884,688,712**	**100**	**100**	**100**	**100**

(1) SAS Rue La Boétie is wholly-owned by the Crédit Agricole Regional Banks.

(2) Treasury shares are directly held as part of share buyback programmes, recognised on Crédit Agricole S.A.'s balance sheet, designed to cover stock options and as part of a market-making agreement.

The ownership structure changed slightly in 2019

The Regional Banks maintain their investment in Crédit Agricole S.A. through SAS Rue La Boétie.

Jointly and on a permanent basis, they own the majority of the share capital: 55.9% at end-2019 and 56.26% at end-2018 and 56.64% at end-2017.

Employee ownership through employee share ownership plans (ESOP) increased in 2019 following the August 2019 capital increase reserved for employees (18.2 million new shares). It increased from 4.42% of share capital at end-2018 to 4.68% at end-2019.

The share of institutional investors posted a slight increase year on year, with 32.43% at end-2019.

The share of individual shareholders fell slightly; it represents 6.99% of the share capital, compared with 7.27% at end-2018.

Overall, the free float was stable over the period, at 39.42% versus 39.17% at end-2018.

Refer to the glossary page 647 for the definition of the technical terms.

RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in Crédit Agricole S.A.'s share capital over the past five years:

Date and type of transaction	Total of capital *(in euros)*	Number of shares
Share capital at 31/12/2014	**7,729,097,322**	**2,576,365,774**
23/06/2015 Share-based payment of dividend and loyalty dividend bonus *(General Meeting of 20/05/2015)*	187,134,309	62,378,103
12/11/2015 Employee bonus shares *(CEO decision of 12/11/2015)*	1,749,240	583,080
Share capital at 31/12/2015	**7,917,980,871**	**2,639,326,957**
21/06/2016 Share-based payment of dividend and loyalty dividend bonus *(General Meeting of 19/05/2016)*	509,891,574	169,963,858
16/12/2016 Capital increase reserved for employees	110,441,133	36,813,711
Share capital at 31/12/2016	**8,538,313,578**	**2,846,104,526**
Share capital at 31/12/2017	**8,538,313,578**	**2,846,104,526**
22/05/2018 Capital increase by awarding free shares to eligible shareholders *(removal of bonus dividend)*	19,590,132	6,530,044
01/08/2018 Capital increase reserved for employees	41,407,758	13,802,586
Share capital at 31/12/2018	**8,599,311,468**	**2,866,437,156**
01/08/2019 Capital increase reserved for employees	54,754,668	18,251,556
Share capital at 31/12/2019	**8,654,066,136**	**2,884,688,712**

Since 31 December 2019, the share capital of Crédit Agricole S.A. has amounted to €8,654,066,136, divided into 2,884,688,712 shares with a par value of €3 each.

INFORMATION CONCERNING MAJOR SHAREHOLDERS

There are currently no shareholders' agreements.

Crédit Agricole S.A. has not issued any securities giving rights to share capital other than those indicated in the "Recent changes in share capital" table above. The Company has not issued any securities giving rights to the potential share capital or shares carrying double voting rights. Nor has it pledged any of its shares as collateral.

To Crédit Agricole S.A.'s knowledge, no shareholder other than SAS Rue La Boétie owns 5% or more of the share capital or voting rights.

Control over the issuer

The shareholder relationships between Crédit Agricole S.A. and the Regional Banks are described in the notes to the financial statements under "General framework" of this document.

Control over Crédit Agricole S.A. is described in Chapter 3, "Corporate governance", of this Registration Document.

The rules governing the composition of the Board of Directors are set out in Article 11 of the Articles of Association.

Under the terms of the agreement entered into by the Regional Banks and Crédit Agricole S.A. at the time of the initial public offering, the Regional Banks, through SAS Rue La Boétie, own the majority of the share capital on a permanent basis (55.9% at end-2019) and of the voting rights (55.9% at end-2019) in Crédit Agricole S.A., making it immune to takeover bids. The composition of the Board of Directors results from the intention expressed in the listing agreement to ensure a majority representation of the Regional Banks.

In addition to the Director appointed by joint decree by the Minister of Finance and the Minister of Agriculture, six seats are allocated to Directors from outside the Crédit Agricole Group. On the proposal of the Appointments and Governance Committee, these six outside Directors are considered by the Board of Directors as independent in accordance with corporate governance guidelines (AFEP/MEDEF Corporate Governance Code for listed companies). The outside Directors play an extremely important role on the Board. Four of them chair the Board's Special Committees (Audit, Risk, Risk in the United States, Compensation, Appointments and Governance).

There are no agreements of which the implementation could, at a subsequent date, result in a change in the Group's control.

DIVIDEND POLICY

The dividend policy is defined by the Board of Directors of Crédit Agricole S.A. It may take into account, in particular, the Company's earnings and financial position, as well as the dividend policy practices of leading French and international companies in the sector. Crédit Agricole S.A. gives no guarantee as to the amount of the dividend which will be paid in any given financial year.

From 2013 to 2017, certain securities that met the conditions of eligibility on the payment date were also entitled to a loyalty dividend of 10%. To comply with a request of the European Central Bank, the General Meeting of 16 May 2018 voted to remove the statutory loyalty dividend clause as well as the terms and conditions of the compensation to be paid to beneficiaries.

For the 2018 financial year, the Board of Directors has proposed a dividend of €0.69 per share to the General Meeting. For the 2019 financial year, the Board of Directors has proposed a dividend of €0.70 per share to the General Meeting, *i.e.* a pay-out ratio on stated attributable net income Group share of 50%.

For the last five financial years, Crédit Agricole S.A. distributed the following dividends (in cash), as indicated in the table below:

	2019	2018	2017	2016	2015
Net dividend per share *(in euros)*	0.70	0.69	0.63	0.60	0.60
Payout ratio[1]	50%	50%	56%	55%	50%

(1) Total dividends payable (ex. treasury shares) divided by net income Group share (net of AT1 coupons).

TABLE SUMMARISING AUTHORISATIONS IN FORCE AND THE USE MADE THEREOF DURING 2019

Type of authorisation	Purpose of authorisation	Validity of authorisation	Ceiling	Use during 2019
Share buyback	**Buying** Crédit Agricole S.A. ordinary shares.	**General Meeting of 21/05/2019** 21st resolution Valid for a term of: 18 months Effective: 21/05/2019 Expiry: 21/11/20209	10% of the ordinary shares in the share capital	See detailed information
Capital increase by means of the issue of ordinary shares	**Increase** share capital by issuing ordinary shares and/or securities conferring access to ordinary shares, with pre-emptive subscription rights.	**General Meeting of 16/05/2018** 30th resolution Valid for a term of: 26 months Expiry: 16/07/2020	€3.41 billion €6.82 billion in respect of debt securities Those of the 31st, 32nd, 34th and 36th resolutions are offset against these ceilings	None
	Increase share capital by issuing ordinary shares and/or securities conferring access to ordinary shares, without pre-emptive subscription rights, other than through public offerings.	**General Meeting of 16/05/2018** 31st resolution Valid for a term of: 26 months Expiry: 16/07/2020	€853 million €5 billion in respect of debt securities That stipulated by the 30th and 32nd resolutions is offset against these ceilings	None
	Increase share capital by issuing ordinary shares and/or securities conferring access to ordinary shares, without pre-emptive subscription rights, in the case of a public offering.	**General Meeting of 16/05/2018** 32nd resolution Valid for a term of: 26 months Expiry: 16/07/2020	€853 million €5 billion in respect of debt securities That stipulated by the 30th resolution is offset	None

Refer to the glossary page 647 for the definition of the technical terms.

Type of authorisation	Purpose of authorisation	Validity of authorisation	Ceiling	Use during 2019
Capital increase by means of the issue of ordinary shares	**Increase** the amount of the initial issue in the case of issuing ordinary shares and/or securities conferring access to ordinary shares, with or without pre-emptive subscription rights, decided pursuant to the 30th, 31st, 32nd, 34th, 35th, 38th and 39th resolutions.	**General Meeting of 16/05/2018** 33rd resolution Valid for a term of: 26 months Expiry: 16/07/2020	Within the limits of the ceilings stipulated by the 30th, 31st, 32nd, 34th, 35th, 38th and 39th resolutions	None
	Issue ordinary shares and/or other securities conferring access to capital, without pre-emptive subscription rights, in consideration for asset transfers to the Company, consisting of equity securities or other securities conferring access to capital, other than through a public exchange offer.	**General Meeting of 16/05/2018** 34th resolution Valid for a term of: 26 months Expiry: 16/07/2020	Within the limits of 10% of the share capital; this ceiling will be offset against that stipulated by the 30th and 32nd resolutions	None
	Set the price of issue of ordinary shares in the scope of repayment of contingent capital instruments ("CoCos") pursuant to the 31st and/or the 32nd resolution, up to the annual limit of 10% of capital.	**General Meeting of 16/05/2018** 35th resolution Valid for a term of: 26 months Expiry: 16/07/2020	€3 billion The total nominal amount cannot exceed 10% of the share capital in any 12-month period. This ceiling is offset against that stipulated by the 30th resolution	None
	Limit authorisations of issue, with or without pre-emptive subscription rights, as a consequence of the adoption of the 30th to 34th resolutions and of the 38th and 39th resolutions.	**General Meeting of 16/05/2018** 36th resolution	Nominal amount of capital increase under the 30th to 34th resolutions and the 38th and 39th resolutions	None
	Increase the share capital by capitalisation of reserves, earnings, share premiums or other items.	**General Meeting of 16/05/2018** 37th resolution Valid for a term of: 26 months Expiry: 16/07/2020	€1 billion, autonomous and distinct ceiling	None
Transaction reserved for employees	**Increase** the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for Crédit Agricole Group employees who subscribe to an employee savings scheme.	**General Meeting of 16/05/2018** 38th resolution Valid for a term of: 26 months Expiry: 16/07/2020	€300 million Autonomous and distinct from other ceilings on capital increases	Issuance of 18,251,556 new shares with a par value of €3 each, carried out on 31/07/2019
	Increase the share capital by issuing ordinary shares, without pre-emptive subscription rights, reserved for a category of beneficiaries in the context of an employee shareholding transaction.	**General Meeting of 16/05/2018** 39th resolution Valid for a term of: 18 months Expiry: 16/11/2019	€50 million Autonomous and distinct from other ceilings on capital increases	None
	Award performance shares, whether already issued or to be issued, to eligible employees or Corporate Officers.	**General Meeting of 19/05/2016** 43rd resolution Valid for a term of: 24 months Expiry: 19/05/2018	0.20% of the share capital at the date of the Board's decision to award the shares	None
Cancellation of shares	**Cancel** shares acquired under the share buyback programme.	**General Meeting of 16/05/2018** 40th resolution Valid for a term of 24 months Expiry: 16/05/2020	10% of the total number of shares in each 24-month period	

PURCHASE BY THE COMPANY OF ITS OWN SHARES IN 2019

The twenty-first resolution of the Ordinary General Meeting of Crédit Agricole S.A. of 21 May 2019 authorised the Board of Directors to trade in Crédit Agricole S.A. ordinary shares, in accordance with the General Regulation of the French Financial Market Authority (AMF) and with Articles L. 225-209 *et seq.* of the French Commercial Code.

The key provisions of this resolution, which is still valid, are as follows:

- the authorisation was granted for a period of 18 months;
- the Company may not, under any circumstances, hold more than 10% of the share capital;
- the number of shares purchased may not exceed 10% of the total number of ordinary shares at the date on which the said purchases are carried out;
- the maximum purchase price is €20;
- in any event, the maximum amount the Company may allocate to the buyback of its ordinary shares is €4.2 billion.

Information on the use of the share buyback programme, given to the General Meeting, in accordance with Article L. 225-211 of the French Commercial Code

The Board of Directors informs the General Meeting of the following activities undertaken in accordance with the share buyback programme for the period from 1 January to 31 December 2019.

Transactions were carried out as part of the programme in order to:

- cover commitments made to employees and Corporate Officers under stock option and deferred compensation plans;
- create an active market for the shares through market-making by an investment services provider under a market-making agreement that complies with the AMAFI (the French Association of Financial Markets Professionals) Code of Conduct.

Number of shares registered in the Company's name at 31/12/2018	4,378,305
To cover commitments to employees and Corporate Officers	*303,305*
To provide volume to the market in the context of the market-making agreement	*4,075,000*
Number of shares bought in financial year 2019	**5,792,709**
To cover commitments to employees and Corporate Officers	*0*
To provide volume to the market in the context of the market-making agreement	*5,792,709*
Volume of shares used to achieve the purpose set(1)	
Coverage of commitments to employees and Corporate Officers	*303,305*
Market-making agreement (purchases + sales)	*15,585,418*
Number of shares reallocated for other purposes	0
Average purchase price of shares bought in 2019	€10.61
Value of shares bought in 2019 at purchase price	€63,398,081
Trading costs	€274,258
Number of shares sold in financial year 2019	**9,916,014**
To cover commitments to employees and Corporate Officers	*303,305*
To provide volume to the market in the context of the market-making agreement	*9,612,709*
Average price of shares sold in 2019	€11.13
Number of shares registered in the Company's name at 31/12/2019	**435,000**
To cover commitments to employees and Corporate Officers	*0*
To provide volume to the market in the context of the market-making agreement	*435,000*
Gross carrying amount per share(2)	
Shares bought to cover commitments to employees and Corporate Officers (historical cost)	*-*
Shares bought as part of the market-making agreement (market price at 31/12/2019)	*€12.925*
Total gross carrying amount of shares	€5,622,375
Par value	€3
Percentage of the share capital held by the Company at 31/12/2019	0.02%

(1) To cover commitments to employees and Corporate Officers, these are shares sold or transferred to beneficiaries after they exercise options on Crédit Agricole S.A. shares, or sold on the stock market for the surplus coverage recorded at the closing date of the plans, and shares purchased and delivered or sold under deferred compensation plans as performance shares; shares relating to the market-making agreement are shares bought and sold under the agreement during the period in question.

(2) Shares bought to cover commitments to employees and Corporate Officers are recognised as investment securities and valued at their purchase price, less any impairment; shares purchased under the market-making agreement are recognised as trading securities and valued at market value at each reporting date.

Refer to the glossary page 647 for the definition of the technical terms.

DESCRIPTION OF CRÉDIT AGRICOLE S.A. SHARE BUYBACK PROGRAMME FOR 2019 AND SUBSEQUENT YEARS

Pursuant to Article 241-2 of the AMF General Regulation, this document constitutes the description of the share buyback programme to be approved by the Ordinary General Meeting of 13 May 2020.

I. Number of shares and percentage of share capital directly owned by Crédit Agricole S.A.

At 31 January 2020, Crédit Agricole S.A. directly owned 560,000 shares, representing 0.02% of the share capital.

II. Breakdown of targets by equity securities held

At 31 January 2020, the shares held by Crédit Agricole S.A. broke down as follows:

- No shares earmarked to cover commitments to employees and Corporate Officers;
- 560,000 shares held under a market-making agreement to create an active market for the shares.

III. Purposes of the share buyback programme

The authority to be granted by the shareholders at the Combined General Meeting of Shareholders of 13 May 2020 is designed to allow Crédit Agricole S.A. to trade in its own shares either on the Stock Market or over the counter for any purpose permitted or to be permitted by applicable laws or regulations.

In particular, Crédit Agricole S.A. may use this authorisation:

1. to implement stock option plans for some or all of the Company's employees and/or some or all of the eligible Corporate Officers of the Company or of the companies or groupings affiliated with it, now or in the future, under the conditions defined by Article L.225-180 of the French Commercial Code;
2. to allot or transfer ordinary shares to eligible Corporate Officers, employees and former employees of the Company or of the Group, or to certain categories thereof, as part of an employee profit-sharing or employee savings scheme, as provided for by law;
3. to award bonus shares under a bonus share plan as provided for by articles L.225-197-1 *et seq.* of the French Commercial Code to some or all categories of eligible Corporate Officers and employees of the Company, and/or of companies and economic interest groupings affiliated to it pursuant to Article L.225-197-2 of the French Commercial Code; and, more generally, to honour obligations related to the allocation of ordinary shares in the Company to such employees and Corporate Officers, notably under variable compensation plans for employees who are financial market professionals and whose activities have a material impact on the Company's risk exposure, in which case such allocations are contingent upon such employees meeting performance conditions;
4. to ensure coverage of securities granting rights to the Company's ordinary shares;
5. to ensure an active secondary market or liquidity of ordinary shares is created by an investment services provider under a market-making agreement, in compliance with market practice permitted by the French Financial Market Authority;
6. to proceed with the full or partial cancellation of the purchased ordinary shares.

IV. Maximum percentage of share capital, maximum number and characteristics of shares that may be bought back and maximum purchase price

1. Maximum percentage of share capital to be bought back by Crédit Agricole S.A.

Crédit Agricole S.A. is authorised to acquire up to 10% of the total number of shares forming its share capital at the date of settlement of the purchases. However, the number of shares purchased by the Company and held with a view subsequently to exchanging them or using them to pay for a potential merger, spin-off or asset transfer shall not exceed 5% of the Company's share capital.

In addition, the maximum total amount that Crédit Agricole S.A. may allocate to the buyback of its ordinary shares during the term of the share buyback programme is €4.3 billion.

The Board of Directors shall ensure that these buybacks are carried out in accordance with regulatory requirements as set by law and the European Central Bank.

2. Characteristics of the shares covered

Class of shares purchased: shares listed on Euronext Paris (Compartment A)

Name: Crédit Agricole S.A.

ISIN Code: FR0000045072

3. Maximum purchase price

The purchase price for Crédit Agricole S.A. shares under the share buyback programme may not exceed €20 per share.

V. Duration of programme

In accordance with Article L. 225-209 of the French Commercial Code and with the 25st resolution to be submitted to the Ordinary General Meeting of 13 May 2020, this share buyback programme replaces the unused portion of the programme approved by the Ordinary General Meeting of 21 May 2019, and may be implemented until it is renewed by a future General Meeting and, in any event, for a maximum term of 18 months as from the date of the Ordinary General Meeting, *i.e.* until 13 November 2021 at the latest.

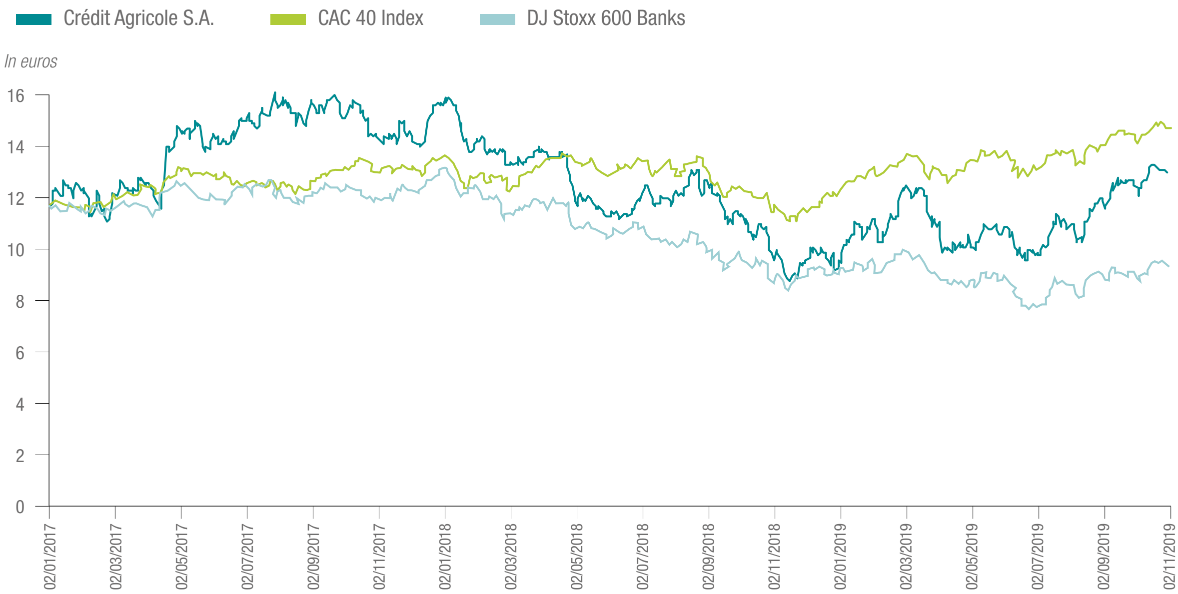
Refer to the glossary page 647 for the definition of the technical terms.

STOCK MARKET DATA

CRÉDIT AGRICOLE S.A. SHARE

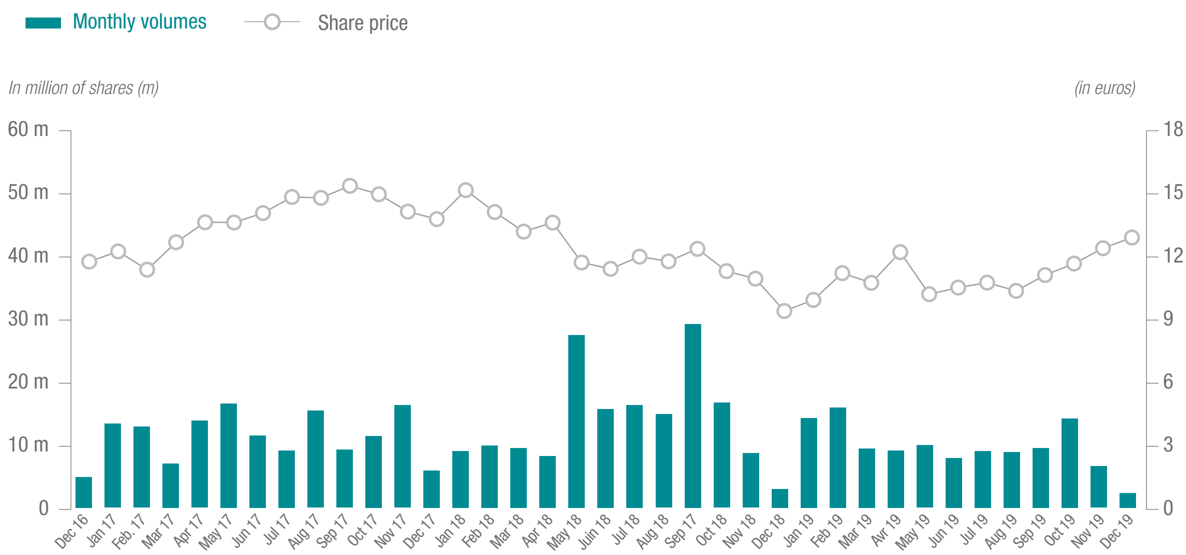
Stock market performance

Three-year share performance



All curves are rebased on Crédit Agricole S.A.'s stock price at 2 January 2017.

Monthly change in the share price and in the volume of shares traded



Between 31 December 2016 and 31 December 2019, the last trading day of the year, the Crédit Agricole S.A. share price went from €11.78 to €12.93, *i.e.* an increase of +9.8% in three years, underperforming the CAC 40 index (+22.9%) and the DJ Stoxx 600 Banks index (-15.8% over the period).

In the course of 2019 (between 31 December 2018 and 31 December 2019), the share price increased by +37.1%, compared with an increase of +26.4% for the CAC 40 and +8.2% for the DJ Stoxx 600 Banks Index.

The total number of Crédit Agricole S.A. shares traded between 1 January and 31 December 2019 on Euronext Paris was 1.52 billion (1.709 billion in 2018), with a daily average of 6.0 million (6.7 million in 2018). Over this period, the stock traded at a high of €13.16 and a low of €9.28.

Refer to the glossary page 647 for the definition of the technical terms.

Stock market indexes

Crédit Agricole S.A. shares are listed on Euronext Paris, Compartment A, ISIN Code: FR0000045072.

They are included in several indexes: the CAC 40 (featuring the 40 most representative listed companies on the Paris Stock Exchange), the Stoxx Europe 600 Banks Index (made up of 48 banking institutions in Europe), and the FTSEurofirst 80 Index (representative of the largest companies in the eurozone by market capitalisation).

Crédit Agricole S.A. strengthens its global CSR performance and maintains itself in the main international socially responsible indexes, which bring together the best performing companies according to strict ESG criteria. Since 2004, it has also been in the FTSE4Good, and in the NYSE Euronext VigeoEiris, Eurozone 120 and Europe 120 indexes since 2013. Since 2014, it has included the STOXX Global ESG Leaders index, and it rated Prime since 2015 by ISS-Oekom. Crédit Agricole S.A. was also one of the best-rated French banks by the CDP (Carbon Disclosure Project) for its climate policy, with a rating of A-, and by MSCI (Morgan Stanley Capital International) with the rating of A for its overall CSR performance.

Stock market data

	31/12/2019	31/12/2018	31/12/2017	31/12/2016	31/12/2015
Number of shares in issue	2,884,688,712	2,866,437,156	2,846,104,526	2,846,104,526	2,639,326,957
Stock market capitalisation *(in billions of euros)*	37.2	27.0	39.3	33.5	28.7
Net earnings per share (NEPS) *(in euros)*	1.39	1.39	1.12	1.12	1.21
Net book value per share (NBVPS)[1] *(in euros)*	19.0	18.2	17.5	16.8	18.7
Price/NBVPS	0.68	0.52	0.79	0.70	0.58
PER (price/NEPS)	9.30	6.80	12.28	10.51	8.99
The stock's high and low during the year *(in euros)*					
High (during trading day)	13.40	15.54	15.68	12.07	14.49
Low (during trading day)	9.10	9.10	11.06	6.79	9.82
Close (closing price at 31 December)	12.93	9.43	13.80	11.78	10.88

(1) Net assets after deduction of deeply subordinated Additional Tier 1 bond issues, *issuance costs net of tax and gross interest paid on these issuances and recognised in other comprehensive income.*

Shareholder return

The table below shows the total shareholder return for retail investors in Crédit Agricole S.A. shares.

The calculation, which is based on the share price at the time of the investment (initial public offering on 14 December 2001, or the beginning of the year in other cases), takes into account the reinvestment of dividends received (until 2005, this included a tax credit for 2004, which accounted for 50% of the amount distributed), but does not include the loyalty dividend of €0.035 per share paid for 2014 and 2015. The valuations are based on the closing share price on the day of the investment.

The calculation also assumes that investors sold their pre-emptive subscription rights and used the proceeds to take up the rights issued at the end of October 2003, January 2007 and July 2008. All results are presented before tax impact.

Holding period	Cumulative gross return	Average annualised return
1 financial year (2019)	46.2%	46.2%
2 financial years (2018 and 2019)	4.9%	2.4%
3 financial years (2017 to 2019)	28.1%	8.6%
4 financial years (2016 to 2019)	48.5%	10.4%
5 financial years (2015 to 2019)	53.9%	9.0%
10 financial years (2010 to 2019)	51.0%	4.2%
Since the stock market listing (14/12/2001)	74.2%	3.1%

DIVIDEND CALENDAR

18 May 2020	Ex-dividend date, the amount of the dividend is offset against the opening share price on this date
19 May 2020	Record date for receipt of dividend
20 May 2020	Dividend paid

2020 FINANCIAL COMMUNICATIONS CALENDAR

14 February	Publication of 2019 full-year results
7 May	Publication of 2020 first-quarter results
13 May	General Meeting of Shareholders in Paris
6 August	Publication of 2020 first-half results
4 November	Publication of 2020 nine-month results

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Refer to the glossary page 647 for the definition of the technical terms.

2 NON-FINANCIAL PERFORMANCE

Non-financial performance

2022 Ambitions

CUSTOMER PROJECT

To become the favorite bank of individuals, entrepreneurs and corporates

HUMAN-CENTRIC PROJECT

To be the best company to work for in financial services in France and in the Top 5 in Europe

SOCIETAL PROJECT

To become the European leader in socially responsible investment

Key achievements in 2019

450 000 customers were met through *Trajectoires Patrimoine* interview

Crédit Agricole S.A. signed an international Framework agreement to guarantee **a social base** for all its employees worldwide

The Group published an **ambitious climate strategy,** praised by the stakeholders

Refer to the glossary page 647 for the definition of the technical terms.

FROM INCREASED RESPONSIBILITY TO INTEGRATED RESPONSIBILITY

Today, our society is facing a paradoxical equation: on one side, scientific and technological advances have never been as fast or as promising; on the other, climate change, social inequality, increased poverty in once prosperous regions, and the fear of downward social mobility are weakening our economies.

During its meeting in Paris in December 2015, the COP 21 set a target to **keep global warming below 2°C by 2100.** To achieve this goal, we have to completely change how we live. If we don't, the consequences will be increasingly dramatic: acidification of the oceans, extreme climate events, more humanitarian emergencies, loss of fertile land and a decline in agricultural yields, water wars, growing food insecurity, and more. The shock may prove violent for democracies whose visions for the future had been supported by the promise of a successful social contract.

Faced with the prospect of environmental chaos, **each of us is confronted with the urgent need to assume our responsibilities** in what has become a challenge of unprecedented magnitude. This challenge is the radical transformation of what drives growth. This growth is vital for the creation of jobs, future investment and, ultimately, the stability of our economic models. Today, we must find a way to continue reducing greenhouse gases while maintaining our ability to live together in harmony, in tolerance, and with respect for democratic principles. To be successful, all of us must work together. Banks must do their part, too, even if it isn't enough on its own.

The success of the ecological transition depends on economic development that promotes social and territorial cohesion. The energy evolution must adopt a balanced trajectory that is implemented without leaving the most fragile populations behind. Worldwide, there are still 860 million people that do not have access to energy, mostly in Africa. The transition that we wish to accompany must enable these populations to have access to clean energy at low cost. Until very recently, coal was considered the cheapest energy. This is no longer the case: in most parts of the world, in a very short time, renewable energies have become more competitive than coal. For the populations involved, the development of these carbon-free energies that do not affect local air quality must be addressed as a priority.

It takes time to change technologies and business models. For our part, we decided to provide extensive funding for this transition, by focusing on helping our customers move on to new forms of energy. We have to be realistic and pragmatic. We need solutions, projects, and achievements – not magic words or curses. It would be an illusion to try to make people believe that banks can do everything. Bank financing does not walk ahead of projects - it accompanies them: **the financial sector is the oxygen of change, it is not the change itself.** The economic actors, public or private, are the ones who can initiate investments in the fight against global warming. And French banks are ready to finance many more green projects.

In this respect, 2019 was an important year for the Crédit Agricole Group. The Group defined its Raison d'Être, leveraging its cooperative and mutual-interest identity and its longstanding commitment. Using this as its foundation, the Group created a new project, "Ambitions 2022"[1], with the aim of making social utility a mainstay of everything it does, its business lines and its processes. Its ambitious objectives reflect the Group's desire to make a greater contribution to the United Nations Sustainable Development Goals (SDG). It also echoes the recommendations of the Principles for Responsible Banking (PRB) of the UN Environment Programme Finance Initiative (UNEP FI), which the Group signed in September 2019.

This strategic plan has three facets:

- **the Customer Project,** which builds on Crédit Agricole's universal customer-focused banking model ("for everyone, everywhere") and on the diversity of its areas of expertise. Its goal is to help customers over the long term and better meet their needs and expectations;
- **the Human-centric Project,** which is meant to support the Customer Project and Ambitions 2022 more broadly, focuses on local responsibility to offer customers ongoing access to a trained, independent point of contact acting with defined authority, driven by mutual trust and commitment between the Company and its employees;
- **the Societal Project,** which is based on the Group's willingness to commit to serving the areas in which it operates, is designed to promote economic ties in these areas, allow more shared economic development, and make sustainable finance one of the Group's growth vectors.

The Group's Raison d'Être resolutely commits it to "work every day in the interest of its customers and society".

Customer Project
EXCELLENCE IN CUSTOMER RELATIONS
- All business lines committed to customer satisfaction and to a zero-defect culture
- An outstanding online customer experience and a best-in-class digital bank
- Innovative banking and extra-banking services

#1 in customer satisfaction (NPS[1])

Human-centric Project
EMPOWERED TEAMS FOR CUSTOMERS
- Always offer customers a direct access to empowered relationship managers
- Transform management and organisation to support this Human-centric Project

#1 best company to work for in the French financial services sector

Societal Project
COMMITMENT TO SOCIETY
- Offers available for all customers (EKO, LCL Essentiel) and a commitment to maintain local societal ties
- CA Group climate strategy in line with the Paris Agreement, with certified implementation

#1 European leader in responsible investment

(1) Net Promoter Score.

(1) https://www.credit-agricole.com/content/download/175314/4127671/version/1/file/20190604%20-%20Group%20project%20-%20VF%20-%20Fr.pdf

Refer to the glossary page 647 for the definition of the technical terms.

In addition to meeting the regulatory requirements of the Statement of Non-Financial Performance (DPEF), this chapter is intended to present the policies and actions implemented by the entities of the Crédit Agricole Group. Firstly, it describes the how the new strategic plan will be implemented (governance, management tools and goals) as well as the Group's main non-financial risks and challenges, in accordance with its business model (detailed in Chapter 1), its business relations and the services that it provides. The Group has identified these risks using methods developed in-house. Risks related to climate challenges are analysed and described in section 3.2 of this chapter "Green and sustainable finance: one of the Group's keys to growth", following the 11 recommendations of the Task Force on Climate-Related Financial Disclosure (TCFD). Secondly, the Group describes the policies and actions aimed at addressing the main risks identified for each of the three major projects comprising Ambitions 2022 in detail along with the corresponding performance indicators. In addition, and pursuant to the law of 27 March 2017, Crédit Agricole S.A. has established and is implementing a vigilance plan to identify risks and prevent serious violations of human rights and fundamental freedoms, harm to personal health and safety, and damage to the environment that could potentially result from the Group's activities. This vigilance plan is described in Chapter 3.

The DPEF allows Crédit Agricole to present specific social, societal and environmental information according to how consistent it is with the principle risks or the policies carried out. It helps provide better information to stakeholders about the management of social and environmental risks. It is also a real strategic management tool for the Group.

Even though the Statement of Non-Financial Performance (DPEF) must – in legal terms – cover the scope of Crédit Agricole S.A. – namely, Crédit Agricole S.A. (UES) and its subsidiaries – we have also chosen to provide, when this might be useful, information regarding the policies and action plans of Regional Banks in order to inform our stakeholders about the high degree of integration of the Group's operations and show the social, environmental and societal impacts of the Group as a whole.

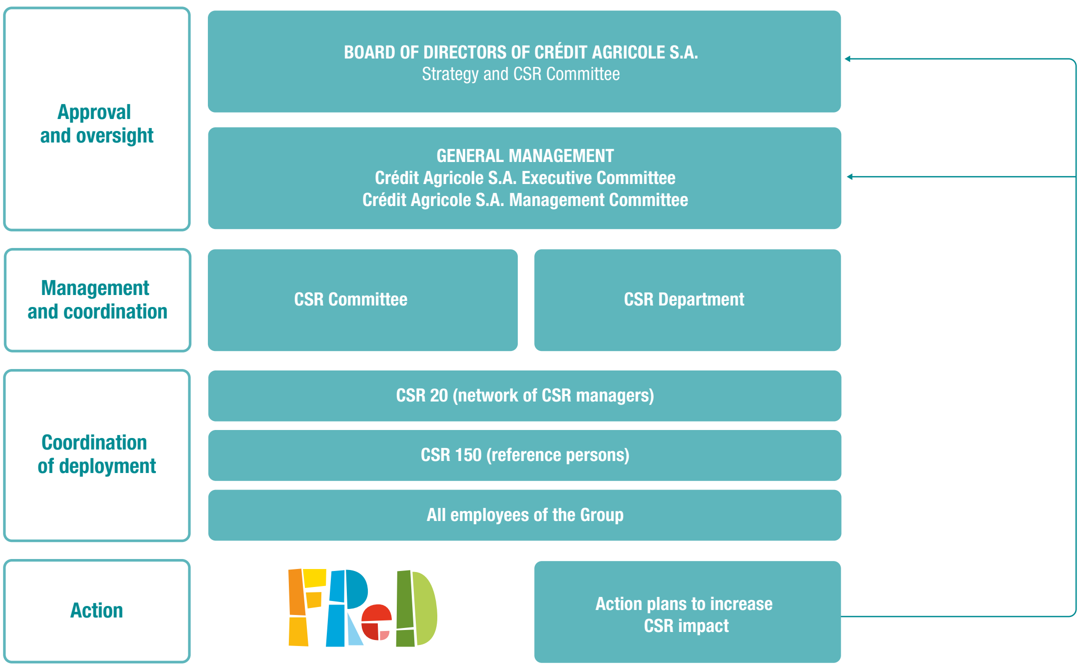
The preparation of this DPEF is the result of the ongoing and collective work of Crédit Agricole Group: the CSR, Finance, Human Resources, Customer Relations and Innovation, Strategy, Risk, and Communications Departments, and the Corporate Secretariat of Crédit Agricole S.A., Group subsidiaries, and FNCA have held many preparation meetings. This year, following the publication of the Group's Ambitions 2022 project, the methodology used to identify main risks, as well as the policies and actions plans, were reviewed and reorganised as part of this report. The Group updated its business model, particularly in relation to its new Raison d'Être. Through all its work, the Crédit Agricole Group is implementing, once again, an integrated approach recognised by its stakeholders.

GOVERNANCE OF NON-FINANCIAL PERFORMANCE

To ensure that the Group's CSR challenges are shared with and integrated into all the Group's business lines and processes – and make sure all its main risks are covered – Crédit Agricole S.A. has created a structure composed of several bodies with complementary missions. The Group's strategic CSR planning even reached to the Board of Directors. The Board ensures that the Group's strategy and business take its environmental and social concerns into account. To that end, the Board of Directors relies on the work performed by its Specialised Committees, primarily the Strategy and CSR Committee and, as part of a transversal approach, the Appointments and Governance Committee, the Risks Committee and the Compensation Committee.

The **CSR Committee,** chaired by the Corporate Secretary of Crédit Agricole S.A. and comprising the Chief Executive Officers of key subsidiaries and business lines, is responsible for driving and coordinating the Group's CSR policies in accordance with the guidelines provided by the Strategy and CSR Committee of the Board of Directors. It relies on the CSR Department, which has six employees and reports to the Corporate Secretary, and on a network of 150 CSR contributors (20 CSR officers and reference persons) across entities and business lines. Since January 2017, the Head of CSR has been a member of the Group Management Committee.

This Committee, with support from managers and the CSR network, shares the commitments defined by the Group with all employees, who all help to implement them.



MANAGING NON-FINANCIAL PERFORMANCE WITH THE FReD MEASURES

FReD is an internal system that monitors and measures Crédit Agricole's progress on CSR matters. It makes it possible to manage CSR challenges within different entities and promote the involvement of the Group's executives and all its employees. Created in 2012, in 2019 FReD became the tool used to roll out and manage the societal and environmental commitments made as part of the Group's Ambitions 2022 project.

Deliberately participatory, the system consists of defining 12 projects every year that will be implemented within each entity, including nine projects defined specifically by each entity and three at Group level. To be eligible, the projects must focus on each of the three FReD pillars ("Fides", "Respect" and "Demeter") and diversified in terms of length: short term (up to one year), medium term (two years) and long term (three years).

A comprehensive approach…	FIDES Strengthening confidence	RESPECT Developing people and the societal ecosystem	DEMETER Protecting the environment
…based on 3 frames of reference…	Fraud Customer interest Ethics Market balance Financial security	Acknowledgement Equality Security and Safety Profit-sharing Equity Coherence Territory	Dialogue Externalities Markets Ecosystems Transport Energy Natural resources
In relation to the 3 CSR pillar	Economic pillar	Social pillar	Environmental pillar

The progress of each project is measured by an index: projects start at 1 and reach a rating of 4 when completed. Every year, the FReD index measures the progress made, project by project, by calculating the change in rating between the current and previous year. It is then calculated by entity, and then consolidated at the Group level. In 2019, 15 entities contributed to this system and, for the seventh consecutive year, Crédit Agricole S.A. is publishing its Group index, which was 1.7 in 2019. FReD is an evolving tool. In 2019, two entities tested it with the goal of integrating the official index beginning in 2020. The Group wants to make FReD its go-to tool for integrating CSR into its business lines and expand it to all Crédit Agricole S.A. entities as from 2021.

	2017	2018	2019
FReD index	1.7	1.6	1.7
Number of participating entities	15	15	15

FReD is a formidable tool for engaging employees in the Group's project. After an audit by a third-party assessor, the results are presented to the Board of Directors' Compensation Committee and determine the payment of one-third of the deferred variable compensation for Crédit Agricole S.A.'s executive managers. FReD is also used by several entities to calculate incentives and therefore affects the variable compensation of more than 10,000 employees.

FReD IS AN INTERNAL SYSTEM FOR MEASURING AND MANAGING GROUP PROGRESS ON CSR MATTERS

15
entities

900
actions completed

8 000
involved employees

This statement consists of a demonstration that is constructed as follows:

Business Model	The business model is the systematic and synthetic representation of the origin of value added by a company as well as its partition between the various stakeholders in a clearly identified field of business and period. *The Business Model is available in Chapter 1 of this Report.*
Key Risks	In order to identify CSR challenges and the key risks for our activities, our business model and the geographical areas where we operate, we used a methodology based on a systematic approach. *The methodology and the key risks are presented on page 43 of this Report.*
Policies and Action Plans	Building on the three Pillars of its Ambitions 2022 plan, the Group has put policies and action plans in place to reduce the risks identified and help customers move towards a more inclusive and less carbon-intensive economy. *The Policies and Action Plans are presented throughout pages 46 to 104 of this Report.*
Results and performance indicators	To illustrate the ambitious policies put in place, the DPEF presents the key indicators that are monitored rigorously by the Group. *For more information, the results and performance indicators are presented at the end of each policy and action plan.*

Refer to the glossary page 647 for the definition of the technical terms.

MAIN RISKS IDENTIFIED

In order to identify CSR challenges and the main risks for our activities, business model and locations where we operate, we used a methodology based on a step-by-step approach:

Step 1: Formalisation of non-financial areas defined by the Raison d'Être of the Group

This step led to the definition of four major themes for its commitments:

- be the trusted partner of all its customers;
- a performance model articulated around human responsibility;
- a natural mobilisation for its territories;
- a deliberate commitment to environmental and societal issues.

Step 2: Complementary approach to define the scope of the CSR challenges

The issues defined in ISO 26000 and the subjects listed in section II, Article R. 225-105 were combined with the four major areas of commitments related to the Raison d'Être, which allowed us to identify around thirty non-financial challenges.

Step 3: With regard to the most significant CSR challenges for the Group, identification of the non-financial risks that could affect our business and our stakeholders

The objective of this step was to produce a list of 15 significant short-, medium- or long-term challenges and identify the potential non-financial risks related to each challenge. The general risks identified were then assessed on the basis of two criteria: their potential severity and their probability of occurrence. A time dimension was also used for certain risk factors that are less important today but could become more significant in the future. The assessment was made using "raw criteria" that did not include the Group's risk mitigation mechanisms.

This work was conducted by the Group's CSR, Risk, Compliance and HR Departments. The main CSR challenges and risks are as follows:

Extra-financial challenges	Associated risks	Policies for managing associated risks
Combating corruption	Non-compliance and legal risk	Ethical culture
Fair competition		
Fair practices in marketing, information and contracts		
After-sales service, assistance and resolution of claims and disputes for consumers	Non-compliance and legal risk Operational risks	Customer satisfaction and culture of excellence
Protection of consumer data and privacy		Ethical culture
Access to essential services		Adapting our offers to new uses Mutualist Commitment to inclusive development
Employment and employer/employee relations		Deep managerial transformation for empowerment
Working conditions and social protection	Non-compliance and legal risk Operational risks Physical risk: safety, security and prevention	Strengthened environment of trust for mutual commitment of employees and the Company
Social dialogue	Non-compliance and legal risk Operational risks	
Development of human capital	Non-compliance and legal risk Operational risks	In-depth managerial transformation for empowerment
Promotion of corporate social responsibility in the value chain (responsible purchasing)		Responsible purchasing
Duty of vigilance	Non-compliance and legal risk Operational risks Physical risk: safety, security and prevention Climate risk	Vigilance Plan Responsible purchasing
Mitigation of climate changes and adaptation	Non-compliance and legal risk Operational risks Climate risk	Green finance: one of the Group's Keys to growth
Protection of the environment, biodiversity and restoration of natural habitats	Non-compliance and legal risk Operational risks Physical risk: safety, security and prevention Climate risk	Direct environnemental footprint
Improvement of the vision of the overall performance of our counterparties (sustainable investments and lending)	Non-compliance and legal risk Operational risks	Mutualist Commitment to inclusive development Crédit Agricole: an influential player for a more inclusive and less carbon-intensive economy

KEY NON-FINANCIAL INDICATORS

Risk management policies	Non-financial indicators	2017	2018	2019	2022 target	Scope covered
CUSTOMER PROJECT						
Customer satisfaction and culture of excellence	**Net promoter score (NPS)**[1]	7th	7th	5th	1st	LCL
		4th	3rd	3rd	1st	Regional Banks
Ethical culture	% of employees made aware of ethical issues	N/D	N/D	16.93%	-	Crédit Agricole S.A.
Adapting our offers to new uses	Number of customers who have subscribed to entry-level offers (LCL Essential)	N/D	N/D	20,363	110,000	LCL
HUMAN PROJECT						
Engagement and Recommendation Index (ERI)		N/D	N/D	77%	-	Crédit Agricole S.A.
In-depth managerial transformation for empowerment	% of executives trained in the new leadership model[2]	N/D	N/D	42%	100%	Crédit Agricole S.A.
	% of women in senior management	N/D	N/D	24%	30%	Crédit Agricole S.A.
Strengthened environment of trust for mutual commitment of employees and the Company	Increase in ERI Survey participation rate	N/D	N/D	+7 points	-	Crédit Agricole S.A.
SOCIETAL PROJECT						
European leader in responsible investment		1	1	1	1	Crédit Agricole S.A.
Mutualist Commitment to inclusive development	Outstanding amount of the fund with social and solidarity impact *(in millions of euros)*	N/D	220	256	500	Amundi
	Financing made to unbanked populations *(in millions of euros)*[3]	34	38	54	200	Grameen Crédit Agricole Foundation and Group entities
	Number of vulnerable customers supported	18,033	17,892	18,514	20,000	LCL, CACF France and Regional Banks
	Number of year 10 students from priority education areas hosted (integration week)	N/D	N/D	578	750	Crédit Agricole Group
Green finance: one of the Group's Keys to growth	Assets in the green financing portfolio *(in billions of euros)*	N/D	N/D	7.1	13	CACIB
	Outstanding amount of specific environment-related initiatives *(in billions of euros)*	N/D	8.2	12.3	20	Amundi
	Investments in renewable energies *(capacity in GW)*	1.3	1.7	1.9	2	CAA
An influential player for a more inclusive and less carbon-intensive economy	Assets incorporating an ESG filter *(in billions of euros)*	N/D	275.8	310.9	-	Amundi
A COMPANY LEADING ITS OWN CHANGE INITIATIVE						
Responsible purchasing	% of suppliers with a CSR rating (EcoVadis) during calls for tenders[4]	N/D	51%	59%	75%	Crédit Agricole Group
Direct environnemental footprint	Energy-related GHG emissions/m^2	0.02845	0.03010	0.02855	-	Crédit Agricole S.A.
	GHG emissions related to business travel/FTE	0.639	0.773	0.636	-	Crédit Agricole S.A.
	Carbon offsetting with Livelihoods of the GHG emissions in % of scopes 1 and 2	41%	63%	82%	-	Crédit Agricole S.A.
	Number of trees planted through Reforest'Action	N/D	N/D	337,094	1,000,000	CAA

N/D = Not currently defined.

(1) Ranking among French retail banks.

(2) Training: HEC Programme - Leadership, Meaning and Empowerment.

(3) Cumulative target over the 2019-2022 period.

(4) Total since 2014 (including suppliers under evaluation).

Refer to the glossary page 647 for the definition of the technical terms.

RECOGNITION OF CSR PERFORMANCE BY STAKEHOLDERS

By leveraging the FReD equity portfolios and all of the other initiatives established as part of its CSR strategy, Crédit Agricole S.A. is solidifying its overall CSR performance. In 2019, it reaffirmed its place on the leading socially responsible investment indexes:

FTSE4Good EURONEXT vigeo CDP DRIVING SUSTAINABLE ECONOMIES MSCI ISS ESG

- rated A by Morgan Stanley Capital International (MSCI) since September 2017;
- rating of 63 by VigeoEiris and included on NYSE-Euronext indices since May 2013;
- rated Prime by ISS ESG since December 2015;
- included for several years in the British FTSE4Good index, re-confirmed in September 2019.

A LONG-TERM COMMITMENT

SIGNATORY OF THE

- United Nations Global Compact since 2003;
- Principles for Responsible Investment since 2006;
- Diversity Charter since 2008;
- Sustainable Purchasing Charter since 2010;
- Charter for the energy efficiency of commercial buildings since 2013;
- Science Based Targets since 2016;
- RE100 since 2016;
- Principles for Responsible Banking and Collective Commitment to Climate Action since 2019;
- Business for Inclusive Growth (B4IG) since 2019;
- Poseidon Principles since 2019;
- One Planet Sovereign Wealth Fund Asset Manager Initiative since 2019.

CO-FOUNDING MEMBER OF THE

- Equator Principles since 2003;
- Green Bonds Principles since 2014;
- Portfolio Decarbonization Coalition since 2014;
- Mainstreaming Climate Action Within Financial Institutions since 2015;
- Catalytic Finance Initiative since 2015;
- French Business Climate Pledge since 2015;
- BBCA association (low-carbon building design) since 2015;
- Finance for Tomorrow since 2017.

PARTICIPANT IN THE

- Call for carbon pricing at the initiative of the World Bank Group in 2014;
- Montreal Carbon Pledge since 2015;
- Paris Appeal on Climate Change since 2015;
- IIRC (International Integrated Reporting Council) since 2016;
- Task Force on Climate Disclosure since 2017;
- Climate Action 100 + since 2017.

OTHER POSITIONS

- Statement on modern slavery since 2017;
- Contributor to the *RH Sans Frontières* endowment fund since 2018.

1. CUSTOMER PROJECT: EVEN STRONGER CUSTOMER RELATIONS

The society our customers live in is changing quickly and dramatically. Economic conditions are improving, technological innovation is accelerating, but environmental challenges are becoming critical and the social climate is becoming darker in many countries, including the OECD. The ways in which the world and the future are perceived are becoming more polarised and people's aspirations are diverging.

The banking world is also being transformed and major changes are redefining the customer–bank relationship: firstly, digitisation with the creation of online banks and new entrants on the market, the automation of transactions, the disappearance of tellers, increasing advisor turnover, the centralised host platforms, etc. **New customer relations models are becoming the norm,** with remote interactions becoming increasingly frequent and varied. And yet, customers remain attached to physical presence and very much expect a relationship-based banking model. New standards are taking over: the way customers relate to time and the amount of effort they will put in to find information are changing, and the minimum level of excellence is increasing across sectors. Customer voices are amplified through social media and instant messaging groups.

Finally, even if the image of the banking sector has improved since the financial crisis, banks are struggling to re-establish trust in themselves as an institution. The best informed customers, even "experts", are no longer as trusting as before.

The Customer Project was developed to respond to this new environment and to consumer expectations – choice, simplicity, freedom and advice, all in a way that distinguishes the bank from others through its utility to customers and the relationship it provides – transparency, fairness, honesty and respect for commitments.

The project is based on the strengths of the Crédit Agricole Group:

- its organisational model, that of the Universal Customer-Focused Bank, which allows it to meet the needs of all types of customers thanks to the richness and strength of specialised business lines;
- its cooperative values of responsibility and solidarity;
- its foothold in its communities.

The development of the Customer Project, one of the three flagship projects of the Group's new Ambitions 2022 strategic plan, must embody the Raison d'Être of "acting each day in the interest of its customers and society" and allow Crédit Agricole to become the "favourite bank of individuals, entrepreneurs and corporates". In order to measure the success of this development, the Group has selected the **net promoter score (NPS)** as an indicator and has set a goal to have the top score. This recommendation index is measured by subtracting the number of customers who give a rating of 0 to 6 (detractors) from the number of customers who give a rating of 9 to 10 (promoters) when answering the question: "Would you recommend your main bank to your family, a friend or a colleague?". This measurement is taken through an objective questionnaire conducted by a company surveying a random sample that is representative of the French population.

We have chosen to monitor this indicator for retail banks in France.

1.1 CUSTOMER SATISFACTION AND CULTURE OF EXCELLENCE

Introduction

The Group Project, and specifically our Raison d'Être to "work each day in the interest of our customers and society" will guide our actions and commitments related to **customer satisfaction** and a **culture of excellence.** The development of the Customer Project corresponds with **our goal of becoming the favourite bank of individuals, entrepreneurs and businesses,** and of having the top net promoter score (NPS).

To make these happen, the Group will rely on two main vectors:

- mobilising all business lines around customer satisfaction by managing it at the highest level, making the net promoter score (NPS) a criterion for evaluating employees, managers and executives, and creating an Academy for Excellence in Customer Relations;
- instilling an irritant-free culture with the creation of new positions dedicated to the "voice of the customer" and optimising bank processes.

Policy

This framework commits us to **aim for a high level of excellence in the quality of the services provided** and in our relationships with our customers. The "Relationship Model" Project, with its customer relations and managerial practices, must contribute to this excellence in customer relations. An *ad hoc* organisation will also be set up to anticipate, identify, and handle irritants and malfunctions. By irritant, we mean any action, procedure or behaviour of the bank that is consistent with what it does, its procedures, its choices or the way it normally operates but that is frequently the source of annoyance and irritation on a repeated and ongoing basis. An identified irritant should be able to be quantified and its resolution should be able to be measured and also noticed by customers.

Measuring satisfaction and finding ways to promote the Group will be intensified by increasing the number of ways customers can share their opinions and by systematising the tracking of management indicators related to NPS.

Finally, to accomplish this, **the Group wants to create a service-oriented culture,** as it will be defined by the Academy for Excellence in Customer Relations, that will run through all of its actions, decisions, and individual and collective attitudes.

Action plans and results

For a number of years, Crédit Agricole's **Regional Banks** have taken steps to increase customer satisfaction. These steps have been successful but remain incomplete if it is to become France's favourite bank. The **"Relationship Model" project** was launched early in 2019 with five Regional Banks working in concert to conduct interviews with over a 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 points of contact, both in-branch and through digital tools, and to spell out the promises that Crédit Agricole makes to its customer more clearly. Our goal is that, over time, the uniqueness Crédit Agricole's customer service model will be recognised as one of our key differentiators as a bank.

Refer to the glossary page 647 for the definition of the technical terms.

As part of the of the acceleration of the Customer Project, the Group's action plan for eliminating customer irritants was launched in October 2019 to develop a collective approach designed to make sure that irritants customers experience in our relationship with them are handled efficiently. The plan is meant to be part of a continuous improvement process through the ongoing pursuit of excellence in operations and customer relations. Under the Collectively Managing Relationship Excellence mechanism, each Group entity (Regional Banks, LCL, Compliance, Legal, etc.) has identified specialists at the level of Deputy General Manager called Customer Champions, one of whose main responsibilities is to identity and, in particular, accelerate the elimination of irritants that are in their scope of activity.

More than 60 Customer Champions have been identified.

To date, the system includes about 15 major irritants, identified by each entity in its area of activity with a commitment to resolve them in Victoire Rapides 2020. Prioritisation was based on factors including the volume of customers impacted, occurrence, sensitivity (GDPR or other risk) and/or the complexity of the resolution. Two cross-disciplinary projects are also on board: the quality of communications to customers (letters), and delay in the treatment of reclamation.

The handling and processing of claims within the Crédit Agricole Group is based on a three-phase process, as recommended by the ACPR:

- in the event of a disagreement or issue, customers can express their dissatisfaction at their local branch;
- if the problem has not been resolved, they may contact the Customer Relations Department of their bank or insurance company;
- finally, if the disagreement persists, an outside mediator may provide independent recourse at no cost:
  - each distributor (LCL, Regional Banks, etc.) has a mediator,
  - each producer has an industry-level mediator (insurance, AMF, ASF, etc.).

For example, at **LCL, complaints** from individual customers, small businesses and corporates are handled at two successive levels: a first level within the branch, the Customer Relations Centres (CRC) and the Business Centres, and a second level consisting of the Customer Relations Department (CRD). Customers are informed of this mechanism via their account statements, the website, guides to rates and charges and the bank's general terms and conditions. In 2018, the sales network managers alert system was enhanced in order to improve complaint processing time. Referral to the Mediator, which was set up in 1996, can be exercised if a dispute persists. In addition, the complaints from individual and business customers in the various distribution channels are collated and counted using an IT tool. This makes it possible to monitor each complaint, analyse the reasons for it and respond to it.

Listening to customers in all business areas and throughout the value chain is critical to identify the factors underpinning the customer experience and better serve our customers as a result. In addition, our objective is to use the customer experience for management by strengthening the mechanisms for listing to customers and the employees of each Group entity in order to better qualify the vectors for improving and differentiating the customer experience and offer a customer experience that is successful as well as unique and consistent from end to end. All Group entities have developed ways to measure this. Thus, the Group's business lines have developed their own standards and/or surveys to assess customer satisfaction. The analyses are validated at key stages in the relationship and help prioritise actions related to improving this satisfaction.

To go beyond a mere perception of satisfaction, the **net promoter score (NPS)** is an indicator of the quality of baseline service that measures customer attachment to their bank depending on whether they would recommend it or not. It was chosen by the Group to evaluate the customer experience through an annual assessment conducted across markets and to position the bank within the competitive environment. 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.

Since late 2018, NPS measurement has also been widely used across Group entities, both in France and abroad (**international retail banks, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring, Amundi,** etc.).

LCL surveys its customers every year using a recommendation questionnaire sent by email to find out how willing they are to recommend LCL and their suggestions for improvements. In 2019, LCL gave a voice to nearly 3.1 million customers across all markets and collected over 271,000 questionnaires, including nearly 1,280 from corporates.

The Group also wants to foster and instil a **"culture of excellent customer relations by CA"** through the creation of **the Academy for Excellence in Customer Relations** The Group has set up a team of six employees who will begin working at the beginning of January 2020 to develop a culture of service and customer relations excellence within each entity of the Group in France and abroad. Their primary mission will be to lead collective action among the 70 main entities of the Group and to use Group-wide leverage to boost employees' and Directors' skills and experience and to make the "customer experience" more integral to how the Group operates. Several measures are planned for 2020: look at all Group initiatives and identify best practices in customer service excellence; share these practices and promote more dialogue among entities; support each entity in improving customer tools and experience; coordinate the Customer Champions working on service culture; tailor the ways employees acquire new skills; ensure the measures have a continuous improvement mechanism by making sure there is an oversight function.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Customer satisfaction and culture of excellence	**Net Promoter Score (NPS)**	7th	7th	5th	1st	LCL

Ranking among French retail banks.

Refer to the glossary page 647 for the definition of the technical terms.

1.2 ETHICAL CULTURE

Introduction

Crédit Agricole Group has made ethics one of its strategic priorities, in line with stakeholder expectations. The Group's standards, values and the interaction between its various systems are all levers that influence behaviour and foster an ethical culture. To achieve the goals of fairness towards not only its customers, but also its employees, partners and society, the Group recognises that it must look beyond regulatory requirements to ensure that ethical conduct becomes second nature to everyone.

1.2.1. A group committed to protecting the interests of its customers and the trust of its stakeholders

Policy

The purpose of the Group's Compliance Department is to raise awareness of main compliance issues. These issues form the foundation needed to ensure that a culture of compliance and ethics is shared across the Group.

Thus, the department has defined and implemented a Group-wide non-compliance risk prevention policy. These risks include money laundering, terrorist financing, international sanctions, fraud, corruption and failure to follow the rules for protecting customers and personal data.

This policy is based on an updated, adequate and proportionate non-compliance risk management system that involves all relevant stakeholders. This system relies in particular on organisations, procedures, training and awareness programmes, and information systems or tools used to identify, assess, monitor, control these risks and determine the necessary action plans.

In 2019, the Crédit Agricole Group's Compliance Department created its **Smart Compliance** project for the next three years. This project is organised around two components:

- the first is defensive, organised around adhering to regulations and protecting its corporate image;
- the second is offensive and targets operational efficiency and customer fairness.

Smart Compliance is completely integrated with the Group's 2022 Project. Its main goals are to make all business line processes simpler and smoother, natively integrate compliance into the digital customer experience, and expand innovation.

Action plans and results

Since 2018, in view of the more stringent the legal requirements relating to the **fight against corruption,** Crédit Agricole has been taking the necessary steps to implement the anti-corruption compliance programme laid down in Article 17 of the Sapin II Law, to strengthen its framework for the **protection of whistle-blowers** and to implement the recommendations of the French Anti-Corruption Agency, drawing on existing measures within the Group to complement its procedures and operational systems in this area. Thus, the Group updated its procedures and operating procedures by defining appropriate governance, establishing a dedicated anti-corruption Code of Conduct and renewing its training and awareness programme for all employees in order to highlight the behaviours to be adopted to avoid any breach of probity. The Group's commitment to fight corruption, which began several years ago, has been recognised through BS 10500 certification since July 2016 and Crédit Agricole's anti-corruption management system received ISO 37001 certification in July 2017 and was re-certified in 2019. Crédit Agricole is the first French bank to receive this certification. It recognizes the Group's determination and the quality of its corruption prevention programme. It attests that the corruption risks have been correctly identified and analysed and that the programme applied by Crédit Agricole has been designed to limit these different risks, by applying international best practices. It covers all business lines of the Crédit Agricole Group: retail banking, investment banking, asset management, wealth management, etc. The implementation of operational measures to strengthen the fight against corruption continued throughout 2019 with regard to the mapping of corruption risks, the evaluation of third-party suppliers and intermediaries in terms of integrity, and the adaptation of controls by targeting operations at risk of corruption.

94% of Crédit Agricole S.A. employees had received anti-corruption training by the end of 2019.

With the increasing number of cases of attempted fraud from external sources and their increasing complexity (notably through cyber crime), the main challenges now lie in ensuring a proactive response among banks. **Fraud prevention** is designed to protect the Bank's interests and to safeguard customers. The fraud prevention system has been deployed in all entities of the Crédit Agricole Group since 2018. A Compliance/Anti-Fraud and Corruption department has been in place. Actions continued to be taken to control fraud risks in terms of system management, prevention and detection. Systems were rolled out to combat payment fraud and fraudulent transfers. Governance was also strengthened at the entity level with greater management involvement. Awareness raising is also key to increasing vigilance measures. Action has been taken to update the training tools, which have been made available to entities in 2018.

At end- 2019, 93% of Crédit Agricole S.A. employees had been trained in fraud prevention.

The Crédit Agricole Group greatly values the **prevention of money laundering,** combating the **financing of terrorism** and **compliance with international sanctions** (freezing of assets and embargoes).

The Financial Security business line is responsible, throughout the Group, for:

- the implementation of measures to prevent money laundering and terrorist financing; and
- its compliance with international sanctions.

The system in place integrates obligations arising from international rules and recommendations and those arising from national law. It is based on getting to know customers at the start of the relationship and putting continuous measures in place throughout the business relationship to perform due diligence on customers and transactions in a way that is appropriate and proportionate to the level of risk. To this end, IT tools for customer profiling and the detection of unusual operations assist the Group's employees. The fight against terrorist financing and compliance with international sanctions also require constant cross-referencing of client files with sanctions lists and the monitoring of international operations.

Refer to the glossary page 647 for the definition of the technical terms.

These processes are continuously improved due to regulatory changes, as does the way risk is assessed. These improvements helped improve the quality of customer knowledge data in 2019. Moreover, as a follow-up to the agreements signed with the American authorities in October 2015 for actions that date back to a period between 2003 and 2008, the Group has implemented a staggered remediation plan that will continue until 2021 that is designed to significantly strengthen its system for managing the risks of non-compliance with international sanctions. This plan is regularly monitored by the Board of Directors.

The compliance framework (department, procedures, training programmes) creates an environment favourable to the **enhancement of the control framework** within the Group. Nonetheless, when preventive measures do not play their expected role and a dysfunction occurs, it is important that it is:

- detected and then analysed as quickly as possible;
- brought to the attention of operational managers and to the compliance person at the most appropriate level within each business line;
- monitored and corrected, and its causes eliminated;
- reported to the supervisory authority, in the event of major irregularities.

The centralisation of dysfunction events via the reporting process is described in a specific procedure that measures Crédit Agricole S.A.'s exposure to non-compliance risk at the highest level. Employees who have reasonable grounds to suspect or have observed the existence of a compliance-related irregularity, must immediately report it to their superior, who will report it to the Compliance team. The system also has an **alert mechanism** whereby employees are able to notify the entity's Compliance Officer if they observe an irregularity in the usual process of reporting non-compliance or if they feel pressured to do something that would constitute non-compliance, without going through their direct superior. In this case, the right of alert mechanism is an alternative solution. By launching a **new computer platform,** Crédit Agricole Group has demonstrated its support for employees who want to use the alert mechanism securely. This tool guarantees the strict confidentiality of the author of the alert, the facts reported, the persons involved and the exchanges between the whistle-blower and the person in charge of processing the alert. The tool was gradually launched in 2019 throughout Crédit Agricole Group. The launch will be finalised in the first half of 2020. In addition, the centralized system for reporting alerts and collecting notifications made available to all Group employees as part of the fight against fraud and corruption was broadened in 2018 to allow for facts falling within the scope of the Group's duty of vigilance.

As part of its Group project, Crédit Agricole is continuously strengthening its **customer protection** compliance process, which makes customer interests a major priority.

As part of the Customer Project, several areas related to customer relation excellence motivated the Group to strengthen its system for protecting customers, particularly:

- reviewing the customer experience, which natively integrates customer protection processes; these include, for example, the path to building a legacy integrating the customer protection measures required by the MiFID II regulations on financial instruments and the IDD on selling insurance;
- strengthening of the product governance process, which is geared to prioritising customers' interests in new offers brought to market by the Crédit Agricole network;
- a claims handling procedure that is part of a quality system of soliciting customer feedback and continuously improving the Group's offering.

In addition, as part of its Societal Project, Crédit Agricole is committed to inclusion in two major areas:

- banking inclusion, with the implementation of commitments made by banks to assist financially vulnerable customers. The entire approach to banking inclusion is being reviewed at multiple levels in 2019 and 2020: Governance, offering, identification procedure, advisor training, standards and audit plans;
- vulnerable customer groups, with priority given to protected adult customers and vulnerable elderly customers.

The Crédit Agricole Group decided to establish a **Personal Data Code,** which came into effect in early 2017. The Code consists of five core principles (data security, integrity and reliability, ethics, transparency and education, customer control) designed to reassure customers and to share best practice with employees of Group entities[1].

This reference document sets out the Group's data protection principles, which the Group continued to define in 2019 and will extend into 2020:

- the creation of durable and efficient tools for the management of personal data processing (particularly in the area of shared data processing registers), events and reporting to be used by data controllers and DPOs. These tools facilitate dialogue between entities (producers, systems integrators, distributors) and are integrated into existing systems, such as risk analysis;
- the updating of contractual relationships with internal or external partners with whom Crédit Agricole shares personal data to clearly define each party's requirements and responsibilities;
- modifying information systems in terms of security and data retention time;
- providing legal expertise that supports Group entities and monitoring the ways data is used that arise from applying European regulations;
- the "natural" integration of personal data protection into everyday behaviour, how new offerings are designed and how new technologies are developed;
- increasing everyone's abilities and contributions when it comes to managing risks when using personal data, in accordance with the Crédit Agricole Group's commitments to transparency and fairness regarding customer protection. Moreover, a GDPR-specific module has been added to the mandatory Group employee training module, "Everyday Compliance" that refers to the Personal Data Code.

In 2019, 94% of Crédit Agricole S.A. employees had received training in day-to-day compliance (data confidentiality, irregularities, right to alert, reputational risk, inside information, etc.).

THE PRINCIPLES OF THE GDPR PROGRAM

- Giving back individuals control over their personal data back.
- Creating a "European Data Protection" that protects citizens with unified rules that can be used against non-European actors.
- Making the custodians of personal data (data controllers, sub-contractors) accountable and responsible for providing proof that data is well protected.
- Tightening sanctions in the event of improper protection or use of collected personal data.

(1) https://www.credit-agricole.com/content/download/122698/2442388/version/2/file/Charte_Utilisation_Donnee.pdf

1.2.2. The promotion of ethical culture among Directors and employees

Policy

The role of the Compliance function is to ensure compliance with the regulations and Code of Conduct applicable to banking and financial activities among the Group's entities, managers and all employees. More specifically, Compliance works to prevent any Group entity from finding itself in a situation with a risk of non-compliance. In addition to these obligations, Compliance:

- is an opportunity to convey a positive image of responsible entities acting in the interests of their customers;
- helps to maintain trust in the bank among all stakeholders (customers, employees, investors, regulators, suppliers and companies).

The compliance business line is intended to develop and promote a culture of compliance and ethics within the Group, particularly through the deployment of the **"Smart Compliance"** project.

The implementation of the Crédit Agricole Group's culture of compliance and ethics is based on an internal system of reference documents that, along with legal and regulatory requirements, is based on three levels of coverage:

- **the Code of Ethics,** which was made available to the public in 2017 and is the same for all Group entities, affirms our commitments, our identity and our values of convenience, responsibility and solidarity. It also highlights our principles of action, which we follow every day vis-à-vis our customers, society and our employees by adopting ethical behaviour.
- **Codes of Conduct** that translate the principles of the Code of Ethics into operating standards. These Codes of Conduct were presented to the Boards of Directors of each Crédit Agricole entity for their opinion, then implemented in 2018. They were designed to guide everyone's actions, decisions and behaviour on a daily basis by incorporating rules for how to act when dealing with ethical issues. These Codes of Conduct also include a specific anti-corruption section, pursuant to the requirements of the Sapin II Law.
- **the *Corpus Fides,*** which is a collection of standards and procedures that identify the rules that the entities of the Group, executives and employees must follow and reflect compliance-related regulatory changes.

A programme for instilling a culture of ethics was defined in 2019. The goals of this programme are to help Crédit Agricole S.A. employees adapt to a culture of ethics in an innovative way and to measure employees' levels of ethical culture using shared indicators.

This ethical culture is also shared through a comprehensive programme of **mandatory training sessions** for all employees in France and abroad.

Action plans and results

In 2019, each entity of Crédit Agricole S.A. formalised a Code of Conduct that translates the principles of the Code of Ethics into operating standards in a way that is tailored to specificities of each entity's activities. Each Code of Conduct was submitted to the Board of each entity. The implementation of Codes of Conduct in all Group entities is part of the Group's approach to controlling non-compliance risks and reinforces its commitment to being "ethical" in its dealings with all its stakeholders.

In order to reinforce and to embody ethical culture, in other words the Group's Code of Ehtics and Codes of Conduct, a group-wide programme to instil a culture of ethics was defined over 2019 and the following years for Crédit Agricole S.A. Promoted in a video put out by Crédit Agricole S.A.'s Executive Management team, the implementation of this awareness programme also saw the distribution of an optional quiz entitled "Ethics and you" to employees in 2019.

Entities also designed and implemented their own programmes for instilling a culture of ethics. One such example is **Crédit Agricole Italia banking group,** which launched a programme that included an internal communications campaign for the launch of their Code of Conduct, with the goal of engaging all their employees on ethical issues. The programme included the following actions:

- the publication of their Code of Conduct in a dedicated section on Galileo, the Group's intranet site;
- the sharing of a video of the Director of Human Resources, Organisation and Strategy of Crédit Agricole Italia presenting the launch of the Respect Charter, a document that describes all the best practices to be implemented in the workplace;
- the organisation of "Diversity Week", a week with several meetings and activities for all employees designed to increase their awareness of all aspects relating to diversity and respect. The ideas generated during this week formed the basis of the Respect Charter;
- the publication on the Group intranet of a series of videos on environmental issues designed to introduce the best practices to be adopted in the workplace in order to contribute to the fight against climate change;
- an email message sent to all employees to increase their awareness of ethical issues with a link to the Code of Ethics, the Code of Conduct and the Respect Charter.

In 2019, the same **training programme** for all Group employees, regardless of their level of exposure, was maintained. As before, employees were required to take the five e-learning courses that make up the programme:

- everyday compliance – introduction to ethical culture and compliance;
- anti-money laundering and combating the financing of terrorism (AML-CFT);
- international sanctions;
- prevention of external fraud;
- the fight against corruption.

For employees updating their skills through the Everyday compliance, Prevention of external fraud and The fight against corruption courses, we evaluated employees' knowledge before the training to adapt the courses to their needs.

As part of efforts to professionalise the Compliance business line, among the 11 classroom training courses offered, the 3.5-day "Fides Academy Orientation Workshop" in 2019 professionalised nearly 60 new Compliance hires (France and abroad).

The intranet Compliance site, accessible to all employees, provides an educational description of the main compliance topics and presents the compliance jobs and tasks. The abstract of the Corpus Fides, which can be viewed on the intranet, sets out the 14 main issues of compliance to enable employees to become more adapted.

To deal with the challenges of clarifying and simplifying the "Anti-money laundering and combating the financing of terrorism (AML-CFT)" training courses, the training system was changed, leading to the creation of seven different training courses for **Regional Banks,** depending on the jobs performed and the level of exposure of employees. An AML-CFT awareness campaign was also made available to **international retail banks.**

Refer to the glossary page 647 for the definition of the technical terms.

In accordance with European Banking Authority guidelines and the provisions of the French Monetary and Financial Code, **the Compliance Officers train Directors and members of the Board of Directors** on current regulatory issues. For new members of the Boards of Directors of the entities, material on "Compliance Issues" was made available to the Group entities (in French and English) to train them in face to face. The objectives are to provide summary information on current regulatory issues relating to compliance, financial security and international sanctions, as well as to discuss the practical consequences of this environment on the role of the Director.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Ethical culture	% of employees made aware of ethics issues	N/D	N/D	16.93%	-	Crédit Agricole S.A.

This year, the indicator covers Crédit Agricole S.A. In following years, the scope will be expanded to the entities of Crédit Agricole S.A.

1.3 ADAPTING OUR OFFERS TO NEW BEHAVIORS

Introduction

The environment in which our customers develop is experiencing profound changes: the concerns about buying power, the feeling that rural areas and outlying suburbs are being left behind, and inequality of opportunities make future projections difficult. **Consciousness of the environmental imperative** is spreading and new aspirations are challenging mass, anonymous consumption. Finally, **customers are moving rapidly towards digital devices** and smartphones are now the preferred device in France for connecting to the internet. The Crédit Agricole Group must respond to this new social reality to become the favorite bank of individuals, entrepreneurs and corporates.

Crédit Agricole's responses are organised around two components:

- the continuation and intensification of the actions taken to make Crédit Agricole **a leading digital bank;**
- the **development of products and services that respond to these new social realities:** accessible to all, with simple and transparent rates, adapted to the new forms of consumption and the moments of life, and centred around banking and non-banking services.

1.3.1. Offer the best digital experience to our customers

Policy

To raise itself to the highest "digital standards" in all its markets, the Group has implemented solutions with impact to improve our efficiency and our relevance to customers. By 2022, the Group is aiming for a 20-point increase in the number of customers using its digital apps in France and Italy by offering them an exceptional digital customer experience.

We want to **simplify and optimise the experience of our customers and prospects through digitisation** over some or all of the steps of their journey. Firstly, a variety of quality content should be offered to generate, attract and engage a qualified audience in order to convert it, then allow our prospects and customer to get personalised advice through our 100% human, 100% digital banking model. At the same time, we must offer a wide range of products and services, available as either self-guided or remote, with support from our advisers and with digital tools as varied and qualitative as those of our competitors.

Action plans and results

In order to make **our model as agile as needed** and reduce the time to market for our products and services, Crédit Agricole Group is continuing to develop its innovation ecosystem and to increase the agility of its information systems with the installation of an API. An API is an interface to securely and uniformly display a set of business services (availability of data and services, for example, 360° view, electronic signatures, geolocation, borrowers' insurance, etc.). APIs standardises and simplifies internal exchanges and provides a controlled opening to the outside for data and services. This "APIsation" is necessary to enable the Group to:

- gain agility and pool resources between entities;
- enrich the value proposition of its ecosystem with services offered by third-party providers;
- allow others to utilise the Group's services through partnerships.

La Fabrique by CA, the fintech start-up studio of the Crédit Agricole Group, is one of the entities using APIs. Founded in early 2018, the objective of La Fabrique by CA is to encourage Group innovation, to make it more agile, and accelerate time to market for new products by creating and accelerating start-ups whose solutions will enhance those of the Group. The start-ups receive assistance for their funding and their commercial and operational development. La Fabrique by CA combines two activities: scaling up the creation of start-ups and hybridisation with the Group to accelerate the development of the start-ups once they have been launched. The studio has defined **five areas of innovation:** asset management, risk management, support for microbusinesses and SMEs, neo-mutualism and the agricultural transition. Since the studio was established, five start-ups have already been launched, with an average "fabrication" time of eight months each. The team at La Fabrique by CA has around ten people who form the "core team" of the start-up studio. The team offers the start-ups its varied skills (accounting, business models, marketing and communication, legal, etc.) to help them build and promote their product. The fabrication process of a start-up at La Fabrique by CA follows three consecutive phases: a design phase, which is needed to identify a need and validate a strategic plan to meet that need; a fabrication phase to create and test the start-up's key product; and a launch phase, during which the studio recruits a dedicated team whose first assignment will be to deploy the product within the Group's network with the support of La Fabrique by CA.

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

- progressive rollout of the **New Customer Portal (NCP),** a unique new website that Regional Banks can regionalise and customise that is adapted to all types of terminals. This new multi-market site (individuals, wealth management, professionals, businesses, 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 over H1 2020;
- our 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-Immobilier and the *Projet Immobilier* space. 90% of home financing projects are now eligible for the *Projet Immobilier* project space. Nearly 9 out 10 customers who are offered the option to sign their loan offers electronically have opted for this solution;
- implementation of a **new *Trajectoires Patrimoine* advising approach** that makes high-quality advice on wealth management available to any customer 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 the customer and the adviser. It has been rolled out at all Regional Banks and customers who have used it give it an average NPS of +72 (percentage of promoters who have ranked it at 9/10 or 10/10 minus percentage of detractors who rate it 0/10 to 6/10);
- in-branch *Trajectoires Patrimoine* are complemented by the online *Trajectoires Patrimoine* tool, which helps customers learn about and manage their wealth. The goal of the tool is to offer customers a self-guided online learning tool that helps them calculate their projected net worth without a sales pitch;
- **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. Today, 35 Regional Banks are in testing or have deployed it for one business line (primarily business insurance or business account managers).

Since 2015, **LCL** has been modernising its distribution model and adapting business practices to changes in customer behaviour caused by digital technology, the goal being to place the customer at the centre of a digital customer-focused bank. LCL is also mindful of its advisory obligations. It endeavours to know as much about its customers as possible and to put regulations in place to ensure that it offers them appropriate advice. The actions taken mainly focus on employee training, customer classification, tools development (particularly advisory), product governance, customer information and the traceability of communications. In 2019, LCL continued to integrate regulatory requirements, which resulted in the deployment of the new *"Solution Épargne"* savings advice tool. The latter aims to enhance the customers' skills and experience, to better account for the customers' wealth, and to make more explicit recommendations on changes in it. The LCL advisory approach will continue to evolve in 2020 and will offer more specific advice based on the customers' needs. Thus, LCL is working towards the Group's *Trajectoires Patrimoine* approach and will offer a similar experience for its customers at Regional Banks. This experience will be accessible online and in-branch.

In the area of payments, Crédit Agricole Group's new strong authentication service SCAD (which stands for Centralised Dynamic Authentication Service), developed by Crédit Agricole Payment Services, is designed to meet the new challenges of digital services and position Crédit Agricole as a "trusted third party". SCAD also responds to the requirement imposed by the Second Payment Services Directive (PDS2), which as from 14 September 2019 requires that banks implement strong authentication measures when payers are accessing online accounts, initiate electronic payment transactions, or executes a remote action that carries a risk of fraud or fraudulent use. Strong authentication implies the verification of the customer through a combination of at least two authentication factors. SCAD is accessible through the SécuriPass service on the "Ma Banque" app of the Regional Banks and allows the customer to be authenticated for the following actions without receiving a text message: purchase by card on a merchant site with 3-D Secure, the addition of a transfer beneficiary, connection to online banking, access to account history, connection to an account aggregation service, and confirmation of the customer's identify by the adviser during a telephone call from their workstation. Customers get a smoother experience, more freedom, and increased security for their transactions. The service has been rolled out for institutional customers and at 39 Regional Banks with 1.5 million customer enrolled. The service will be tested in a pilot at LCL in January and rolled out during the second half of 2020.

After contactless mobile payment, Crédit Agricole's customers have been able to transfer money in real time since April 2019 with *"Paylib entre amis",* via the Crédit Agricole "Ma Carte" app, developed by Crédit Agricole Payment Services on Android and iOS. All that is needed is the telephone number or email address of the recipient. Once the Paylib service has been activated on the Ma Carte app, the customer just enters the mobile number of the recipient and the amount to be transferred in order to transfer money. Instant transfer via *"Paylib entre amis"* in the "Ma Carte" mobile app is the first use case for this new service. At end-December 2019, the service already had 901,000 Crédit Agricole customers enrolled.

Samsung Pay was launched in March 2019. This simple, secure solution allows customers of Crédit Agricole Regional Banks who have a Samsung smartphone and a Mastercard to pay for their purchases with their smartphone in stores equipped with contactless terminals. The payment limit is the same as that for the card used. The rollout of this product, piloted by Crédit Agricole Payment Services, reflects the Group's goal of developing mobile payment and offering a broad range of payment solutions to all customers.

The ranking published in January 2020 by D-Rating, the leading corporate digital performance rating agency, shows that Crédit Agricole continues to make progress. With a high overall score, the Crédit Agricole Group as a whole ranks second among retail banking groups in France and continues to be identified as a Digital transformer. In retail banking, the Regional Banks note moved up a notch to BBB+ in 2019 - this is the best performance for any retail banking brand in France. LCL also moved up "a notch" (BB+).

Indosuez Wealth Management has put the digitisation of its products and processes at the centre of its business plan. Four priority strategic projects are already in progress: digital customer onboarding, the investment proposal, CRM, and mobile banking.

In 2018, **Crédit Agricole Leasing & Factoring** rolled out Cash in Time, a 100% digital B2B receivables financing offer designed for professionals and businesses. At end-2019, over 14,000 customers had signed up for the service and financing had been provided for 73,000 invoices. Thus, Crédit Agricole Leasing & Factoring, LCL and the Regional Banks that recommended the solution have contributed to the wider use of factoring among professionals, many of whom used it for the first time with this innovative solution.

Refer to the glossary page 647 for the definition of the technical terms.

In the area of employee savings, **Amundi** completely redesigned its website and its mobile app to adapt to new saver habits and offer a richer user experience. The rework of the employee savings site was designed using a "mobile first" approach: the customer journey was designed with a priority on an optimal mobile experience and the design automatically adapts to terminals with larger screens. Since October 2019, the employee saver website and the "Mon épargne" app have offered identical service quality, regardless of the terminal being used (mobile, tablet or computer). The experience is simpler, more fluid and more intuitive. New features, such as payment taken out of income, have been implemented thanks to the regulatory changes of the PACTE Act. Finally, this redesign has improved website and app accessibility for users with disabilities (visual, motor or cognitive) with an adapted design and compatibility with assistive devices.

1.3.2. A broad, updated range of banking and non-banking services

Policy

To face these new societal challenges head on, the Group's roadmap focuses on **the development of a broad range of banking and non-banking products and services to serve all our customers.** 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 Group's solutions must be useful to customers and sometimes go beyond mere banking through the creation of platforms around a universe of needs.

Action plans and results

Serve all our customers

EKO is Crédit Agricole's entry-level access banking offer, launched at the end of 2017. It is available to anyone over the age of 18 (whether or not they are CA customers) who want to have a bank account that offers basic banking services plus services to help them manage their budget. For €2 per month, EKO provides customers with a Mastercard debit card with balance tracking, a current account with no authorised overdraft, unlimited withdrawals from Crédit Agricole ATMs, a plan for free withdrawals in France and the European Economic Area (25 per year) and outside the EEA (10 per year), text-message alerts for better budget management (when their balance falls below €20 or they are overdrawn) and a cheque book on request (five cheques). EKO is fully digital and human-centric. Customers can set it up online or at a branch and have access to branches, advisers and the full range of Crédit Agricole banking and insurance tools, including apps (Ma Banque/Ma Carte) and online customer banking. At end-December 2019, close to 127,000 customers had signed up for EKO. In February 2020, Crédit Agricole will launch a new offer called Globe Trotter, aimed specifically at young travellers aged between 18 and 30. With Globe Trotter, customers can enjoy unlimited use their cards in France or worldwide with no fees other than the monthly €2 fee.

In May 2019 LCL launched **LCL Essentiel,** which was designed primarily to meet the needs of young, budget-conscious urbanites. For €2/month, customers get an international payment and withdrawal card, a mobile app, a dedicated in-branch adviser and a deposit account with no account maintenance fees. They also get access to all LCL products and services (loans, insurance, savings, etc.) in addition to the services included in the offer. However, to ensure customers keep their budgets in check, the account does not allow overdrafts. LCL Essential can be set up online or at a branch. New customers can arrange their subscriptions completely online at LCL.fr or start their subscription online and finish it at a branch with the help of an adviser, or vice versa. At end-2019, LCL Essential had 20,363 customers.

In the area of healthcare as well, Crédit Agricole wants to offer solutions that are accessible to everyone, since one in two French people has foregone medical care because of cost. The **individual Healthcare offer** integrates the changes from the "100% Santé" reform, which makes it possible to offer optical, dental, and audiology services that are reimbursed in full. This upgraded offer, accessible to everyone and with cover that is easier to understand, is enhanced with new innovative services and useful benefits in order to advise and protect our customers better.

Additional new offers and services accessible to as many people as possible will be developed in the coming months so that our customers can find a solution that meets their needs in every area.

In addition to the offers cited above, our advisers are working to better promote **specific offers for vulnerable customers** with a take-up rate (number of customers receiving the specific vulnerable customer offer compared to the number of customers in a situation of financial difficulty, which is higher than the average bank (18% for Crédit Agricole Regional Banks versus 11% for all institutions – 2018 data from the *Observatoire de l'inclusion bancaire*). Our goal is to make our specific offer better by removing certain customer irritants. Moreover, our advisers offer other solutions to assist the customers who have fallen on hard times: debt consolidation, "helping hand" loans, pauses in monthly payments, etc. The Group is also working on getting better at detecting cases of financial vulnerability, not just with automatic detection, but also through the major role of advisers on a daily basis to anticipate difficult situations (100% human 100% digital). Finally, to better prevent situations of financial difficulty, Crédit Agricole Regional Banks have implemented alerts when individual customer accounts are overdrawn without authorised overdraft. Customers can then add funds to their account to avoid overdraft fees.

In the area of home ownership, **Crédit Agricole is the leader in the granting of the interest-free loan** (PTZ). PTZs finance a portion of a primary residence for first-time homebuyers with moderate incomes. At end-October 2019, there were 21,209 loans financed for a total of €1 billion. Crédit Agricole has financed more than 31% of all PTZs.

In addition, in the social housing segment, Crédit Agricole is planning to set up **an offer and a programme for social housing ownership for low-income households.** This "OFS/BRS" *(organisme foncier solidaire/bail réel solidaire)* programme is based on a principle of separating the purchase of land from that of the building to deal with soaring land prices in competitive real estate markets. By offering purchase prices 15% to 40% lower than market rates, it helps low-income families access homeownership.

Societal changes

The network of **Regional Banks** markets different loans that can **support customers in the energy transition.** Since June 2019, Crédit Agricole has offered green financing solutions, the purpose of which is to allow everyone to have a cleaner vehicle *("Crédits Verts Mobilité")* or renovate or outfit their home *("Crédits Verts Logement").* Thirty Regional Banks had already rolled out these offers at end-December 2019. To date, over 5,300 green mobility loans have been granted totalling over €75 million. For green housing loans, more than 1,900 loans have been granted totalling over €22 million. In May 2019, the Regional Bank network launched a reduced-rate green financing offer for professionals and farmers. The goal is to give all our customers the financial means to have a cleaner vehicle or to renovate or equip their business premises.

For more than 10 years, Crédit Agricole has also offered an interest-free eco-loan *(Éco-PTZ)* for financing **work to improve energy performance.** From 1 January 2019 to the end of October 2019, more than 5,015 loans were granted by Crédit Agricole totalling over €1.3 billion. Thus, the market share of the Regional Banks was 32%. Energy-saving loans are another type of improvement loan to finance green renovation work (replace a boiler, renovations, etc.). During the first ten months of 2019, Regional Banks granted 3,000 loans totalling €45 million to the customers of the 39 Regional Banks.

Refer to the glossary page 647 for the definition of the technical terms.

Finally, **Crédit Agricole Assurances** is committed to integrating green, solidarity or responsible unit-linked products into its policies by 2022.

In the corporate market, Crédit Agricole in 2019 confirmed a new **partnership with the European Investment Bank** (EIB) on financing related to the energy transition in France. Crédit Agricole negotiated a first tranche of €250 million to make green finance one of the Group's 28 keys to growth. This first tranche will allow the Crédit Agricole Group to provide €500 million in funding to SMEs, mid-caps, public entities, farms, and local authorities to investment in the fight against climate change. It is expected to receive a second tranche in the same amount when all the loans of the first tranche have been used. This will allow the Crédit Agricole Group to finance projects that fight climate change worth €1 billion. This new partnership between the EIB and Crédit Agricole will be reflected through different financing products distributed by the Crédit Agricole banking network. It is one of the pillars of Crédit Agricole's new, deliberate strategy for the energy transition in the coming years.

In addition, **IDIA Capital Investissement** is creating CA Transitions, the first proprietary bank investment fund dedicated to the energy, agricultural and agri-business transitions. The funding round from Regional Bank subscribers is nearly complete, and the size of the fund will be between €154 million and €162 million.

In the agriculture sector, the Group has worked on three main areas in particular: organics, renewable energy and short distribution channels:

- the Group is constantly expanding its offerings to best meet the needs of farmers. Thus, in 2019, it launched an **organic farming initiative.** Without losing sight of the fact that Crédit Agricole has been supporting all farmers for 120 years, this initiative targets farms that have transitioned or are in the process of transitioning to organic farming. More generally, it aligns with our support for agricultural transitions. The initiative consists of offering a range of basic organic farming services that are consistent with the needs of these customers, particularly during the transition phase, and of special training for agricultural advisers so that they understand the organic transition process and the impact it has on business models;
- farmers are developing **renewable energy projects,** such as bioconversion and solar. For several years, Regional Banks have been supporting these initiatives and are a leader in this kind of financing in France;
- according to a study conducted by Adéquation for Crédit Agricole, 27% of farms are involved in **direct sales via short distribution channels.** As part of its support for all farms, Crédit Agricole provides a full range of services designed to meet the needs of farmers positioned in their local markets. Crédit Agricole has also renewed its partnership with the *Bienvenue à la ferme* (welcome to the farm) network, led by the *Assemblée permanente des chambres d'agriculture* (APCA), whose role is to promote short distribution channels and agritourism. With this goal in mind, Crédit Agricole has also partnered with APCA to support the Mangezfermier (eat farm-fresh foods) tour to promote local farming with the general public.

For the second year, Crédit Agricole has also renewed its partnership with *Atout France* and *Terre de Vins* to organise the *Trophées de l'Œnotourisme* awards, which highlight initiatives by vineyards and wine cooperatives in wine tourism. In 2019, Crédit Agricole supported this initiative at the local level: the *Trophées de l'Œnotourisme* in Provence were organised with local winegrowers in partnership with the Provence Côte d'Azur Regional Bank.

Finally, early in 2020, **Crédit Agricole Leasing & Factoring** and the Regional Banks will launch a line of lease financing solutions dedicated to the energy transition for professionals, farmers and businesses. This line will be expanded in the coming years with the goal of providing end-to-end customer support for turnkey green solutions, from assessment to implementation. This support will consist of offering technical solutions, expert advice, financing (especially lease financing), and implementation that will encourage customers to commit to the energy transition. To achieve this goal, partners will be recruited on the basis of their expertise and the quality of their services.

Platforms and services for a range of needs

The Group is investing in 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 22 Regional Banks). This platform offers various services to founders to support them in making their projects a reality:

- step-by-step assistance for making a business plan;
- market analysis and help identifying the optimal location (with property purchase and leasing prices);
- financial forecasting (confidence score based on tax documents analysis);
- identification of financing and various regional/national subsidies (integrated into the financing simulator), plus authentication and filing articles of association to start doing business.

The Yapla digital platform facilitates the management of administrative tasks and payments related to operating a non-profit organisation. Launched in September 2019, the platform has either already been rolled out or is being rolled out by 21 Regional Banks, with the objective of making it available at 39 Regional Banks and at LCL by the end of 2020. The platform 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, donations with tax receipts, ticketing service) and daily management (accounting, member management, creation of a website and other services).

During the first half of 2020, a **platform designed for young people** will be launched to offer complete assistance, including non-banking assistance, with what they think about most: **their careers and jobs.** Today, few young people have a network that helps them to make the right decisions for them. But when young people have good contacts to turn to, they are seven times likelier to succeed. With its 21 million customers, Crédit Agricole will offer support, from deciding what to study to finding a job, through a mobile-first solution adapted to how young people use technology that provides access to a community of young people and professionals, bespoke content, innovative services from partners, and local gatherings. The platform will combine the power of the Crédit Agricole network, its national presence, and its expertise in online media to offer a new concept that helps young people first, before making a sales pitch.

Refer to the glossary page 647 for the definition of the technical terms.

This is a first in the market which allows us to truly act in the interest of our customers and society. Crédit Agricole is thus continuing and stepping up its support for all young people, both online and close to home, as it has done with **Premier Stage, Premier Job.** Through this initiative, which was launched in 2017, Crédit Agricole puts young people in contact with companies that are hiring in the communities where it operates. During its second year, between October 2018 and July 2019, 86 professional "speed dating" sessions were organised in partnership with Wizbii that helped 5,865 applicants meet 679 companies with positions to fill. Open to the general public, not just Crédit Agricole customers, this initiative to promote employment for young people was led across the country (33 participating Regional Banks).

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Adapting our offers to new uses	Number of customers who have subscribed to entry-level access offers (LCL Essential)	N/D	N/D	20,363	110,000	LCL

2. HUMAN-CENTRIC PROJECT: ADOPTING A MORE EMPOWERING MANAGEMENT STYLE AND WORK STRUCTURE IN AN ENVIRONMENT OF GREATER TRUST

The women and men of the Crédit Agricole Group are central to the success of the Group's Project. This Project requires the strong commitment of our executives, collective momentum, and a long-term perspective. It is based on a three-part objective:

- empower employees as individuals and the team as a whole to deliver excellent customer service (speed, agility, added value);
- share and instil our Raison d'Être across all Group entities in order to attract and retain committed men and women who are proud to be a part of Crédit Agricole;
- bring team together – no matter where they are or what they do – around a cohesive social pact that is recognised both inside and outside the Group.

In an increasingly digitised society, **an accountable human has become a necessity.** This necessity is at the heart of our **Human Project,** a pillar of the Group Project that is the main driver behind reaching all our goals. It is centred on accountability, an exclusive quality of human intelligence, and is based on the belief that the balance between customer and employee expectations is the key to what makes us different. The core of the Human Project is the accountability of the Group's employees to and their ability to make judgements and decisions. It assumes that we:

Bet on collective accountability

- Men and women committed as closely as possible to customers and internal partners, using their best judgement and taking initiatives, and who contribute to creating an environment of trust to earn the loyalty of their customers and internal partners;
- managers thinking like entrepreneurs, managing their activities from start to finish and building their teams.

Structure the way we work to benefit both the Group employees and customer quality

- A managerial transformation for greater autonomy and engagement of the women and men of the Group;
- a shorter chain of command for smoother, faster in decision-making (delegation, autonomy).

Simplify how we operate

- Proactively rethink tasks with low added value and focus the Group's customer-facing teams on their core mission;
- delegate authority such that decisions can be made as closely to the customer as possible.

Our goal is to be recognised as the best company to work for in France and one of the top five in Europe in financial services using three clear strategies to offer our customers direct access to a local customer service manager:

A disruptive managerial transformation for empowerment

- Managers who provide a framework and move their teams forward through decision-making authority that the teams take on;
- autonomous employees that foster a new bond of trust between themselves and customers.

An organisational transformation to be closer to customers

- Organisation that fosters individual accountability;
- delegation of decision-making authority to reduce bureaucracy.

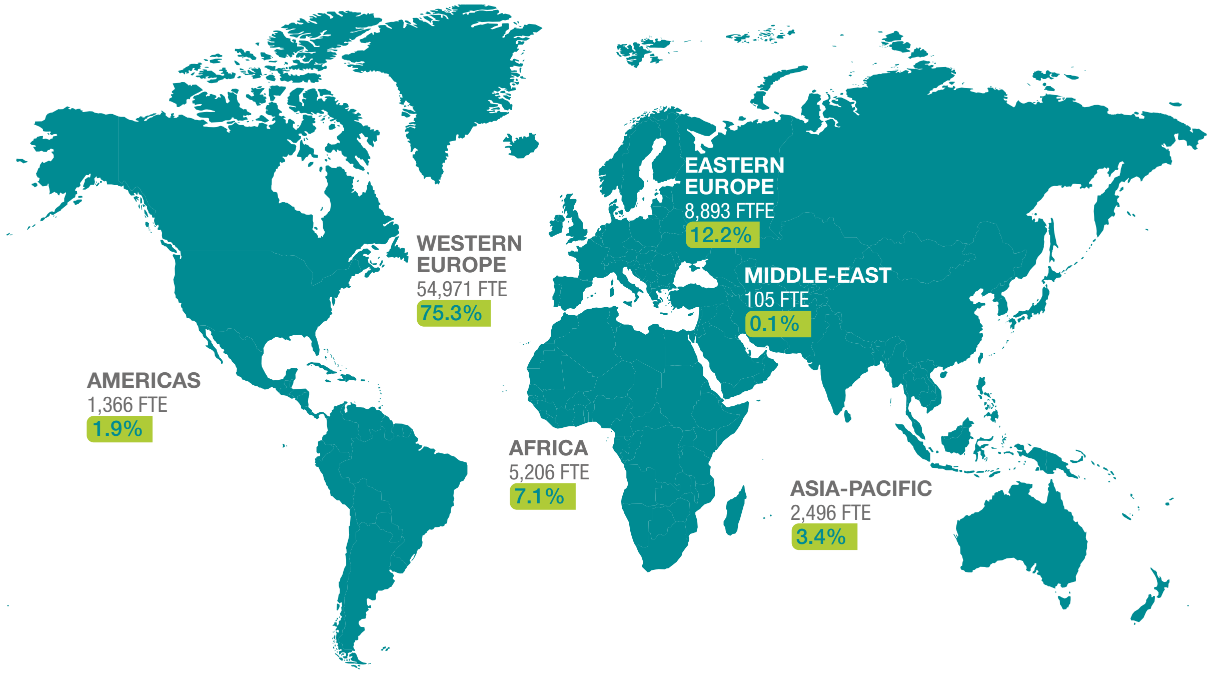
A strong social pact to create an environment of trust that drives initiative

- A broadened social pact for greater trust among all Group stakeholders;
- diversity that mirrors our diverse customer base and encourages working as a team and seizing the initiative.

This strategy is implemented by all Group Human Resources teams and supported by managers. The Group Human Resources Department promotes topics related to the Group Project and handles Group-wide tasks such as the management of executives, compensation policies and social policies. Conversely, the Human Resources Departments in each of the entities help accomplish the objectives laid out and define their own HR policies to meet the specific challenges of their business lines.

At year-end 2019, Crédit Agricole S.A. had 73,037 employees (full-time equivalent or FTE) and was operating in 45 countries.

For more information regarding the remuneration policy, please refer to part 3.4 "Reward Policy" of this document.



Breakdown of headcount by business line

	2019		2018	
	Headcount (FTE)	%	Headcount (FTE)	%
Retail banking in France	16,918	23.2	17,147	23.4
International retail banking	21,986	30.1	21,940	29.9
Asset gathering	10,633	14.6	10,601	14.5
Specialised financial services	8,453	11.5	8,598	11.7
Large customers	12,337	16.9	11,605	15.8
Corporate Centre	2,710	3.7	3,455	4.7
CRÉDIT AGRICOLE S.A.	**73,037**	**100.0**	**73,346**	**100.0**
o/w France	34,973	47.9	36,000	49.1
o/w International	38,064	52.1	37,346	50.9
Scope covered		100%		100%

Beneficiary View.

2.1 IN-DEPTH MANAGERIAL TRANSFORMATION FOR EMPOWERMENT

Introduction

Our **Human Project** is focused on **local accountability to offer customers ongoing access** to a trained, autonomous person with the authority to take action. This empowerment of all customer-facing employees will go hand in hand with a change in our managerial culture. To change our managerial culture, we have created a support system, through specific development programmes, for our executives, managers and employees in the field. In concrete terms, this managerial culture change will be based on:

- leaders who embody the managerial transformation;
- manager entrepreneurs who share the new Codes of Conduct with everyone in the Group;
- employees who take an active role in their careers and who get training on digital, behavioural and cross-disciplinary skills to continue to develop and adapt to changing business lines.

In addition to the above, and to drive this change among all employees, Crédit Agricole S.A. has partnered with **Philonomist, a digital platform that uses a philosophical approach to provide a variety of content on major societal and economic challenges** for the Group. Since September 2019, the Group's customised Philonomist site has been offering our employees content focused on the key themes of the Human Project: accountability, judgement, trust, autonomy and initiative. Philonomist, which also includes classroom-based learning, is a source of inspiration and reflection for our employees and encourages them to develop a culture of inquiry, which is key to creating a company that is always learning and change our managerial culture.

Refer to the glossary page 647 for the definition of the technical terms.

2.1.1. Listening to our employees and encouraging engagement

Policy

In a changing environment, **employee engagement is a more important driver than ever for the performance** of Crédit Agricole S.A. Launched for the first time in 2016, an annual anonymous internal survey was rolled-out simultaneously in the Group's various entities in France and abroad. The launch of this employee engagement survey for the fourth consecutive year is a key measurement for our Human Project. By listening attentively to employees, we aim to strengthen our ability to transform ourselves and adopt an approach of continuous improvement and progress at both Group and entity levels. With the aim of transparency for all employees, the analysis of the results is presented to the management bodies of the Group and entities, as well as to employee representative bodies. This process also gave the Group the opportunity to discuss and involve the different stakeholders in drawing up action plans. These projects can be either transversal to the Group, or specific to the entities, in line with their specific challenges or competitive environments. Employee engagement is also reflected in their willingness to move the Company forward positively by sharing their ideas and implementing them. The Group has therefore developed approaches allowing the involvement and participation of its employees, helping them to grow their ideas and promoting internal and external innovation.

Action plans and results

This year, the scope included 20 Crédit Agricole S.A. entities in France and abroad, as well as 25 Regional Banks. This represented 108,920 employees in 45 countries who were invited to participate in the survey and give their opinion. The survey was conducted 100% online by an outside research firm from 17 September to 8 October 2019 and was available in 14 languages. Strong mobilization of the Crédit Agricole S.A. entities made it possible to achieve a record participation rate of 77%, up 14 points from 2016 and 7 points since 2018.

The Engagement and Recommendation Index is measured on the basis of 21 closed questions, which are identical for the entire Crédit Agricole Group. In addition to the closed questions, for the most part on topics such as pride in belonging, understanding of the strategy, work-life balance, etc. there was one open question: "If you could improve something at your Company, what would you suggest?" which is used to collect qualitative elements. In 2019, 35,781 free-text comments were submitted by employees. In summary, the results highlight strengths, which have been improving over the past three years, on which to build:

- increased participation in the effort;
- growing attachment to the Crédit Agricole Group;
- knowledge and understanding of the strategy that builds trust in executives;
- stronger convergence between the scope of the Regional Banks and the scope of the entities.

The resources available to employees, communicating the Group's strategy to employees under 30, and the engagement of non-management employees are sources of dissatisfaction Crédit Agricole SA is continuing to work on.

In 2018, an ERI survey was conducted for the first time for **Amundi Ireland.** After the publication of the results of this survey, discussion groups with employees were organised to better understand the scores and implement action plans. All the discussion group stressed the importance of being more environmentally friendly. As a result, all the disposable coffee and water cups were replaced with environmentally friendly cups and bottles. The recycling equipment was also updated in the Dublin buildings in order to improve the recycling rate. The employees reacted very favourably to these initiatives and the rate of participation in the survey rose from 63% in 2018 to 75% in 2019. Finally, a Committee for Sustainable Development and Engagement was formed. The members of the Committee are volunteers and their results will be reviewed regularly by management.

After three years of ERI surveys to measure the engagement and sense of belonging of the employees of the **Crédit Agricole Assurances** (CAA) Group, it decided to create an initiative to continuously improve the quality of work life at CAA. To do this, CAA used a survey to gather in-depth opinions employees had, particularly on the theme of trust, which was conducted a few months after the 2018 ERI survey. After reporting the results to all teams, sharing workshops that were open to everyone were organised in the spring to come up with courses of action, both locally (by BU/SU) and Group-wide. To lead these workshops, nearly 100 employees were trained as facilitators in all departments: nearly 150 workshops were held covering the entire life insurance business line in France over a period of three months, bringing together around 1,000 employees representing 50% of the total staff. Nearly one thousand proposals for action plans emerged. They were then prioritised and submitted to the Management Committees of the BUs/SUs, then approved by the Executive Committees at the end of the summer. Three major Group-wide action plans related to the Human Project were launched in the fall: transparency of reward policies, new employee onboarding, and new work methods and management models.

With over 18,000 employees, which makes it the largest entity in Crédit Agricole S.A., **LCL** is relying on work over time to effect and support change. The work surrounding ERI has one main objective: to listen to employees. Since the announcement of the results of the 2018 ERI survey last January, each department has held one or more meetings to present the results to stimulate dialogue with employees and identify actions that can be taken. A Project Committee with ERI specialists from each business line was also established with three goals:

- using data from the free-form comments, identify new transversal action plans. For example, to support managers in their role as messengers of information about the company's strategy and news, each informational meeting following the main managers meeting is facilitated through the compiling of an information packet. The packet allows for more effective discussion with their teams about the MTP of the Group and LCL;
- coordinate the group of 14 engaged and proactive ERI specialists who lead the ERI action plans in their departments. For the first time in 2019, informational meetings to break down the results were organised by all departments. In 2020, the these meetings will be held starting in January;
- discuss with the specialists to work on the action plans and work procedures in the departments and expand the departmental and group actions plans at LCL.

The first ERI survey was conducted at **Uni-médias** in 2018. Following the analysis of the results and the free-form comments from this first survey, four projects were launched in order to improve:

- internal communication through the creation of a bi-monthly newsletter (among other tools), Fast & Curious-style rapid-fire question videos filmed with employees, and even a "Welcome on board" event for new hires;
- well-being at work with the scheduling of monthly yoga classes, organisation of afterwork events and creative workshops during lunch breaks (calligraphy, cooking, terrarium-making, etc.), and ordering noise-cancelling headphones;
- management, thanks particularly to the redesign of annual reviews and manager training on psychosocial risks and changes at the company;

- a sense of belonging at the Crédit Agricole Group by distributing a newsletter with information about the Group and organising a “strategic update” (a meeting of all the employees of the entity to report on their 2019 projects) held on 20 May in Montrouge.

Open to everyone, these projects mobilised 48 employees (out of the 130 Uni-médias employees), who participated in two 2-hour workshops. They were able to discuss and prioritise the actions that they would like to take at their company.

2.1.2. Boost employee skill development in a changing environment

Policy

The **evolution and development of our employees’ skills** are crucial and pose a major challenge in this time of dramatic and accelerating change. In order to support these changes, the Group is focusing on three key things:

- creating an environment that encourages learning new things to ensure the sustainable employability of our employees;
- promoting the continuous skills development of our employees and continuous adjustment to how business lines are changing;
- supporting the acquisition of new skills and anticipating changes.

2.1.2.1. Develop employee skills and adapt HR initiatives to the challenges of transformation

In an ongoing commitment to supporting the transformation of the Group and its business lines and accelerate the development of employee skills, the Group has always considered **training a driving force behind skills development.** As part of the Human Project, the Group has created an ambitious and deliberate policy to support the skills development of its employees and the creation of a corporate culture of learning that includes: support in the definition and implementation of the skills development plan of its employees, making tools available (particularly through partnerships with HR start-ups), access to information and training, and the sharing of practices among the different Group entities.

Action plans and results

With the support of **IFCAM, the Group’s university,** the training offer is regularly expanded with a willingness to make this offer even more accessible. In 2019, 81,187 employees of Crédit Agricole S.A. completed at least one training session and 2,313,929 training hours were provided. The Group maintained its training efforts on core business skills, regulatory requirements as well as the development of cross-functional skills such as languages, management or personal development. The 2019 strategic guidelines specifically covered support for the Customer Project and the increased regulatory requirements and support for the transformation of the Group and its business lines. The challenge is also to encourage the acquisition of skills and professional development for everyone, in particular by making all training digital in order to democratise learning and by supporting employees in their career development and job mobility aspirations. Training initiatives have been redesigned to offer shorter training sessions that encourage experimentation and practical application, as well as various training methods: workshops, presentations, virtual classes, video courses, MOOCs, etc. Employees are also able to complete training when it suits them thanks to self-service content.

Organised according to the different entities of the Group, Learning Days are inspirational moments dedicated to making employees aware of the importance of lifelong learning to be more agile and increase their employability.

Held for the first time in 2019 at **CACF,** they are also intended to clarify new ways to learn through workshops. By organising its second Learning Week in June 2019 in France, **Crédit Agricole CIB** wanted to promote digital training by demonstrating the new offers available on the world training portal.

In addition to “traditional” training, some Group entities are offering innovative initiatives that give their employees even more development opportunities. Once such initiative that **Crédit Agricole Group Infrastructure Platform** (CAGIP) rolled out in 2019 is its “guilds”. The guilds are groups built around shared interests designed to nurture, influence and usher in the transformation of CAGIP. The four guilds (the Manager Guild, Business Guild, Project Build and Tech Guild) are real opportunities for employees to develop their potential in the areas of skills, leadership, networks and recognition within the company.

Support transformations to target customer relations excellence

The challenges of transformation (customer relations, digitisation, new work structures, change management, internationalisation, etc.) are everywhere and accelerating. Crédit Agricole S.A. pays particular attention to supporting employees and managers in these transition phases. Several Group entities are therefore offering employees new training tools and systems to help them through the transformation of their business lines and offer them greater transparency about how things will be changing.

In a fiercely competitive environment that is increasingly threatened by new entrants, with the rise of digital and the transformation of the bank’s business lines, **LCL** wants to preserve its customer service advantage with its customers and, in 2019, launched a new training course for its branch managers. The goal of this training, which is part of the Human Project of the Group’s MTP, is to help branch managers learn to skills they need to carry out the missions assigned to them, increase their level of responsibility and broaden their roles as managers. The course comprises three elements: financial literacy, negotiation and stronger management abilities.

Since 2019, the **Crédit Agricole Group** has offered a new, personalised Master’s degree equivalent programme for experienced business account managers to bolster their expertise, document their skills, and meet the requirements of an increasingly complex business. A degree course, co-branded IFCAM and ESCP, was launched and designed based on a toolkit of specific, key Crédit Agricole Group activities and skills: the banking relationship and core fundamentals, a review of technical knowledge, company-specific risk management, innovation in financing, and international development.

In 2019, **CACEIS** established an important training programme called “Think Customer”. 169 people were trained in 2019 through 24 sessions organised for employees and managers.

Knowing all of CACEIS’ products and services and learning the newest information are principles of the THINK CUSTOMER charter, the role of CACEIS Ambassador. The Products and Human Resources Departments have created a training programme on CACEIS products on the Smart Campus platform. The programme is in a short, fun format that can be accessed in French or English on a mobile device or a computer. The first module covered the basics of the ESG-Climate Reporting offer.

Refer to the glossary page 647 for the definition of the technical terms.

Adapt business lines and IT skills to technological changes

The adaptation of business lines and IT skills to technological changes is a strategic necessity.

HR initiatives to develop skills and support integration and mobility for the 8,000 employees of the **IT Business Line** (LMSI) of the Crédit Agricole Group have been set up to meet these challenges and ensure their employability:

- the creation of a certificate course in project management in partnership with IFCAM and Accenture. This 73-hour course is structured into three skills levels (including nine days in a classroom setting) and helps participants develop, among other skills, the leadership to successfully execute high-stakes IT projects. The certificate is recognised by the government and highlights the role of project lead within the Group and the marketplace;
- an orientation day for new hires of the IT Business Line, which is held four times a year and brings together employees from all of the Group's entities. Each of these days is sponsored by an IT Director and is held at a specific entity. It allows new hires to learn about the Group's IT systems, the main components of the IT MTP and major projects;
- the creation of a community of developers in the Group, whose first activity was to participate in the Best Developer in France competition on 17 October 2019. 55 developers from seven different entities (LCL, CACF, CATS, CACIB, CA Immobilier, Amundi, and CACD2) represented the Group at this event.

Raise awareness of digital and innovation

Technological developments are transforming our business lines and customer relations. Therefore, **developing our employees' digital skills** is a priority.

The Group is continuing its efforts to meet this challenge. After making a digital acculturation platform known as Digitall available to employees in June 2017, an online platform for evaluating and documenting digital skills called **PIX,** developed at the initiative of the Ministries of Higher Education and National Education, was launched by IFCAM in 2019.

Understanding the challenges of tomorrow to make the right decisions today by empowering employees – that is what can be offered through partnerships like the one Crédit Agricole formed with **Netexplo Observatory** for 2019. Netexplo Observatory takes thousands of innovations found around the world, explains them, puts them in perspective, and then presents them as talks, events, etc. The Group's partnership with Netexplo is the perfect opportunity to create and lead a community of employees responsibly, to embody and share a culture of innovation to move the Human Project forward. The goal of this community is to ensure that the best ideas are circulated widely across the Group so that members can share what they have learned in their entities.

Throughout 2019, **Crédit Agricole Consumer Finance** organised "Digital Cafés". Open during lunch hour and designed for all employees, these Cafés were intended to acquaint employees with issues related to digital, including data, the new collaborative tools, design thinking, agility, intelligence, curation, etc. Organised into small groups of around a dozen employees and led by an expert, these conversations over coffee allow everyone to ask questions freely or share best practices.

In 2019, **Indosuez Wealth Management** launched its Digital Academy project, one of the facets of its goal to make "everyone a part of the digital transformation". The project aims to make employees active participants in their training by offering them a new experience and new, more innovative and more effective ways to learn, using online training tools that can be accessed anywhere and by developing greater agility in the way they work. For 2020, the project includes an expanded offer into the areas of the soft skills and skills for the future, languages, automation, CSR and banking and financial expertise.

Develop cross-functional behavioural and managerial skills

To adapt quickly to everything that is changing, employees' **cross-functional and behavioural skills** (cognitive, social, situational, relational, etc.) are essential and a key factor for success when it comes to increasing employee mobility and employability. The increase in the number of training courses relating to these cross-functional skills continued in 2019 with IFCAM's rollout of the "Cross-functional skills course", which has five key objectives:

- build confidence to navigate a world and organisations that are changing in order to serve customers;
- better control one's surroundings and transformation;
- develop a sense of openness and critical thinking;
- harness the keys to continuous learning;
- develop the commitment, drive and ability to participate in (and even propel) the transformation of one's business line.

To support the managerial transformation and the changes in managerial culture to serve the Human Project, the Group has worked on a new leadership model and developed way to impart it through specific development programmes for our executives, managers, and frontline staff. Along these lines, the Group has rolled out the **"Leadership, Meaning and Empowerment" Programme** designed for executives. This specific development programme, designed in partnership with the Purposeful Leadership Chair of HEC Paris, is organised around the connection between the quest for meaning, taking responsibility and sustainable performance. In 2019, 60 Group executives completed this programme.

Crédit Agricole S.A., in partnership with IFCAM, created the "Responsibility, Confidence, Initiative" managerial programme, which aims to transform leadership and management to move toward greater individual and collective responsibility, and confidence and initiative, through a course to acquire expertise in required managerial practices. This programme is intended for all managers of Crédit Agricole S.A.

The Management Academy project from **Amundi** aims to roll out a modular training programme focusing on corporate values from a managerial standpoint. This international programme was co-created with the foreign subsidiaries and is intended for all managers. It will cover expected managerial behaviours through training sessions dedicated to change, leadership, communication and organisational management. The Management Academy will be progressively launched beginning in 2020.

Refer to the glossary page 647 for the definition of the technical terms.

2.1.2.2. Promoting employee mobility

Policy

Internal mobility represents a major challenge in developing the skills of Crédit Agricole S.A. employees in France and abroad. In a world where jobs and skills are rapidly evolving, with the Human Project the Group is giving each employee the option to become the leading participant in their own development by encouraging them to take the initiative in choosing their path and developing their skills. To do this, the Group is committing to prioritise internal mobility over the long term to build an environment of trust for its employees and encourage professional development. Cross-functional moves between different business lines and functional areas will form the core of these efforts. To meet this challenge together, the Group has put formal arrangements in place, including rules of operation for smooth, transparent moves, a toolbox and digital job offers through a dedicated app and regular mobility events.

Action plans and results

MyJobs is the tool shared by the entities of Crédit Agricole S.A. It is used by over 500 HR specialists for internal and external recruitment and by Group employees in their search for job mobility opportunities. At 31 December 2019, close to 1,680 MyJobs accounts had been created by employees in France and abroad. In 2019, 5,566 new permanent positions were published on the internal job board, i.e. 2% more than the previous year.

Mobili'Jobs is a day dedicated to employees looking for mobility opportunities and is organised once a year. This event combines presentations on business lines and professional development, LinkedIn workshops, and individual and group HR workshops to allow employees to interact with managers and HR personnel from Group entities to discover opportunities and functional areas. They are met in "speed interviews" to apply directly for offers published on the Group's internal job board or to find out about possible career paths, and receive advice on how to refine their career plans. Eleven entities of Crédit Agricole S.A. and five Regional Banks and affiliated entities participated in March 2019 event. 228 HR contributors and managers were mobilised to receive more than 500 employees, 100 of whom had already participated in preparatory workshops a week earlier.

Mobili'Meetings are monthly interactive and collective conferences, in face-to-face or virtual format, aimed at raising awareness of the Group, its entities and businesses, as well as the Group's mobility rules and tools for preparing a move.

Experiments with the **Jobmaker** solution were launched in 2019. Launched first by **Crédit Agricole CIB** (CACIB), an experimental partnership with the start-up Jobmaker was launched at Crédit Agricole S.A., Amundi, Crédit Agricole Assurances, and Crédit Agricole Payment Services. This solution offers digital assistance and support to employees to create their career plan. This eight-step process suggests work the employee should do, provides video tips and the chance to self-correct. Its flexible format allows employees to advance at their own pace in thinking about and building of their professional projects. Upon completion of this process, employees have the option to share a summary of their thinking with their HR managers in a dedicated interview. CACIB held Mobility Week 2019, an event dedicated to employees in France on the Art of the Pitch. In an effort to offer innovative individual support to its employees around the world, CACIB expanded the deployment of Jobmaker (a digital career coach that helps employees develop their professional mobility plan) to its international employees. Another launch was piloted in the young international talent pool in the Americas and Asia (Hong Kong and Taiwan). Among the new partnerships established this year, CACIB partnered with X, HEC (M&A certificate) and is planning to renew its partnership with University Paris Dauphine.

The new *"Parcours Jump"* course from **Crédit Agricole Payment Services** (CAPS) is a programme to assist employees seeking mobility opportunities that combines face-to-face and digital workshops. This complete course consists of two half-days of group workshops led by HR managers and individual support provided by the Job Maker tool. In 2019, the pilot and first edition saw 16 participants. Based on the positive employee feedback, this course will offer new sessions in 2020. In addition, on 3 December, CAPS organised the first edition of "Mobility Meetings" in SQY Park to promote internal mobility. This event was an opportunity for employees to learn about positions to be filled at the company, meet the managers who were hiring, participate in workshops this year on the "Art of the Pitch: How to Introduce Yourself and Convince People in a Few Minutes" and attend a conference on marketing yourself.

2.1.3. Attracting talent, developing our employees and preparing for the future

Policy

Ranked the third-largest employer in France in 2019 according to a *Le Figaro Économie* survey conducted in partnership with Cadremploi, the **Crédit Agricole Group is a leading player when it comes to e**mployment in France. Crédit Agricole S.A. and its subsidiaries hired 2,797 permanent employees in France and 6,181 worldwide in 2019. The Crédit Agricole S.A. conducts numerous actions to attract talent, including recruiting young graduates. In 2019, on average worldwich, 1,876 people on work-study contracts and 1,251 interns were included in the Group's monthly headcount.

Crédit Agricole S.A. has developed an approach **to identify and develop its talents and managers** based on managerial guidelines and a unique selection process shared across the Group that gives each person the same chances of achieving their ambitions and moving forward. To adapt our system to the challenges of tomorrow while taking our values, culture and specific characteristics into account, new models for identifying, developing and selecting talent and executives are regularly reviewed to meet the following goals:

- adapt to the profound changes in the environment;
- provide the means to achieve the Group's Strategic Ambition;
- respond to demographic changes;
- contribute to strengthening synergies within the Crédit Agricole Group.

In addition to these objectives, two priority challenges have also been established: continue to constitute pools with the aim of providing appropriate people for the Group's succession plans and occupations, and develop gender equality in managerial functions.

Action plans and results

100% digital employer brand strategy

The Group wanted **to change its hiring methods** to meet applicants' expectations. The Group has spoken to as many people as possible by intensively pre-empting social media on a network of entities, Group, regional, national and international level. In March 2019, the Group was recognised by Potential Park when it was ranked sixth (out of the 100 largest companies in France) for its presence on social networks and fifth for its global digital strategy that positions the Group as first in the banking sector. The Group's entities have continued their presence among students at schools and universities through a number of events, including school forums and events in their respective offices. Many employees were able to share their experience of banking and support functions in France and abroad.

Refer to the glossary page 647 for the definition of the technical terms.

BforBank implemented a digital strategy with a strong presence on professional social networks. This strategy has been conveyed through the creation of content such as videos presenting their work-study students to help recruit during the 2019 work-study campaign. It also led to the creation of an ambassador programme to encourage their employees to provide useful information on LinkedIn. This digital approach also led to a visibility strategy on certain recruiting platforms, such as Welcome to the Jungle, Indeed, Dogfinance and Jobteaser. This digital strategy is complemented by offline actions to connect with candidates in person with 11 internal and external recruiting events, including eight internal job "speed dating" sessions for the Customer Relations Department, participation in Mobilijobs and two recruiting events, one focused on the Customer Relations business line and the other on IT.

Crédit Agricole Group Infrastructure Platform (CAGIP, the new legal entity created at 01/01/2019, which combines the Group's infrastructures and IT production activities) pre-empted social media as soon as it was founded with a LinkedIn page that already has nearly 8,000 followers. The sixty or so posts had visibility of over 360,000 views with more than 420 shares. On Jobteaser, CAGIP has over 830 followers. The entity is also committed to training future IT experts, particularly through its partnership with the 3iL school (computer engineering school) where 145 students in the 2022 class were sponsored. The entity has met applicants at a total of 29 forums: 26 forums for work-study recruitment, one forum dedicated to cybersecurity, and two forms to recruit young graduates. Orientation mornings are planned to integrate new hires. These events, called "New CAGIP team members" were held three times last year as gaming competitions. During these events, the new team members are given the mission to find out and collect as much information on CAGIP as possible – all in a completely digital environment – and most of all to complete a confidential mission of the highest importance. Work-study employees have a special orientation day during which they are introduced to the company then visit kiosks before doing an escape room with a theme of IT piracy.

To develop its recruiting methods, **Crédit Agricole Consumer Finance** conducted a pilot programme in 2019 with two start-ups specialising in recruitment tests: Goshaba and AssessFirst. Goshaba, using gamification, offers different modules to test both behavioural and technical skills according to skills the company considers essential for the different business lines proposed. AssessFirst offers tests that confirm that candidates' personality and motivation are a good fit for the position offered. The goal for the company is to optimise the length and the success of the recruitment process. Applicants will receive a written summary so they can identify their strengths and the business lines that might match their personalities. The objective of these two pilot programmes is to place all candidates on an equal footing in the recruitment process while avoiding the cognitive bias inherent in reading a CV.

In October 2019, **LCL** held another edition of its "No CV between Us" recruiting event, the goal of which is to recruit applicants from a variety of backgrounds whose skills and education differ from those who are usually attracted to banking. Again this year, nearly 250 applicants were hosted at the 19 LCL to give 10-minute presentations on their applications and motivation to the recruiters. Over 30% have been selected to continue with the recruitment process. In addition, as part of a sponsoring event, an afterwork event brought together over one hundred participants, LCL employees and their sponsorees in September 2019. The goal of these interactive events is to allow LCL employees to suggest someone they know who is interested in the business lines at LCL. This is a simple, friendly way to make contact and join LCL and more than ten hires have been made since.

In Germany, employer brand actions are being developed both on and offline. For the first time this year, the **Crédit Agricole Group Germany,** through its six German entities (Amundi, CACEIS, FCA Bank, Eurofactor, Créditplus and Crédit Agricole CIB), participated in the Business Forum of the Frankfurt School of Finance & Management. This is the largest jobs fair in the Frankfurt region and attracts around 800 students and 100 companies.

Through **LinkedIn, Facebook, Twitter and Instagram,** the Group organised its communication around four themes identified as draws for our targets. Referring to our employer signature "everything starts here", the selected themes are named as follows:

- "We're hiring here", to promote career opportunities within the Group in France and abroad;
- "Discover us here", to share the values, commitments and news of the entities and the Group;
- "Our employees take the floor", to discuss career paths and expertise of our employees;
- "Let's meet", to allow our candidates to meet entities through events such as forums and job "speed dating" sessions.

In 2019, the Group's employer brand published more than 800 posts on social media, representing nearly 3 million impressions and 17,000 likes. The employer brand video "Everything starts here", created in 2019, has already been viewed more than 800,000 times on YouTube, and the slam from this video has been heard more than 290,000 times on the Deezer music streaming platform. The Group's recruitment campaigns for work-study students and the Inspectorate General's Assessment Centre Days generated more than 7,300 résumés.

Mechanisms for identifying and developing talent

To meet its talent and career development challenges, the Crédit Agricole S.A. has also set up specific programs for its key resources (talent and executives). The **Move Forward** programme for dynamic "key resources" has been in place since 2014 and has been completed by 108 employees (69% of whom have been women). Its main objective is to reinforce "self leadership", an acceleration tool for an ambitious professional career path. This programme is geared toward women and men within the Crédit Agricole Group who are willing to place gender diversity at the heart of this system.

Since 2013, the **Leading Performance** programme has been completed by 332 managers and directors from 23 countries (32% women). Its objective is to develop the key managerial skills needed for the sustainable improvement of the Group's performance and to facilitate the implementation of organisational transformations.

The **MyWay** programme is designed to assess and develop the Group's young talents. It is based on an online self-assessment system, an interview that brings together managers and HR and the setting up of a personal development plan. More than 450 employees have already benefited from this scheme. Deployment of the "Talent Mobility" tool across all regions, in cooperation with *Fédération Nationale du Crédit Agricole.* It brings together the HR departments of the Regional Banks and subsidiaries of Crédit Agricole S.A. in the labour market concerned to encourage inter-entity mobility. This year, 12 Committees took place in all regions, allowing talents to gain regional visibility. Key resource reviews are conducted with the Group's transversal functions to promote mobility within the Group and share specific skill needs in order to create appropriate career paths.

Crédit Agricole Consumer Finance structures the support of its employees through different programmes. In France, two programmes are meant to support talented young employees: "New shoots" (26 participants in 2019) and "Young managers with potential" (29 participants) are intended to identify and highlight the most dynamic and invested employees to offer them development possibilities. The "CAP Agility" and "CAP DNA" programmes train first-time managers in management best practices.

There are also international development programmes that bring together employees from the various entities of CA Consumer Finance: "JUMP", directed at employees who work in an international environment on a daily basis, is designed to share key best practices for working in an intercultural setting (40 participants); "Future Leader" offers a dozen experienced, high-potential managers an eight-month development programme focused on the managerial skills and attitudes of high-potential managers.

Every year, **Crédit Agricole CIB** hires nearly 800 interns, 200 work-study students, and 100 VIE interns in France and abroad. To improve the support for these young workers, Crédit Agricole CIB has developed a pool for assessing all the interns, work-study students and VIE interns at the end of their assignment in order to give them first dibs when offering professional opportunities at the bank. This tool will be rolled out in 2020 in the Americas and Asia region and has been renamed "Global Junior Pool".

As part of its Together 2022 Medium-Term Plan, initiated in 2019, **Crédit Agricole Leasing & Factoring Group** (CAL&F) intends to become truly European when it comes to its business development, for the good of its customers and employees. This European ambition is also reflected in the formation of a Corporate business line governance structure (finance, legal, IT, HR, risks, insurance, marketing, etc.). As part of this plan, the Corporate business line HR department has created a European talent management team with the implementation of a process that includes:

- a definition of Group talent;
- the definition of a segmentation of talent at the CAL&F group level;
- the definition of a uniform people review process;
- creation of support for talented employees by segment.

The Together programme of **Indosuez Wealth Management** brings together employees from all entities around the world to improve their knowledge of the Wealth Management business line and expand their networks through collaborative reflection on the Group's strategy and the role of each person. In 2019, innovation was at the centre of the groups' work.

Amundi set up Novamundi, a development programme for young employees that brings together around a hundred employees from all countries and all business lines. It is a 12-month programme punctuated by four face-to-face workshops and remote meetings in sub-groups to work on projects to improve the company's operations. In the course of this programme, the young participants will also meet executives and build a valuable community for cross-functional collaboration and teamwork. A partnership was tested with the start-up Praditus to offer employees support for developing their cross-functional skills. The solution provided identifies the strengths and areas for employee development and offers them customised training content. The experiments were conducted at entities of Crédit Agricole S.A. and LCL. While using the Praditus solution, employees can share summaries of their profiles with their HR managers during special career development interviews.

After the launch of the "YoungTalents@CACEIS" programme, which was redesigned in 2018 and intended for young employees, in 2019 **CACEIS** developed the "Rising Leaders" Project, the goal of which was to create a specific programme for very committed employees with fewer than ten years of experience. This 18-month programme offers participants the opportunity to develop their individual and collective skills and creates a community that will help CACEIS overcome its transformation-related challenges by collaborating on strategic projects and encouraging cross-functional collaboration.

Non-financial performance indicator

Risk management policy	Non-financial indicators	2017	2018	2019	2022 target	Scopes covered
In-depth managerial transformation for empowerment	% of executives trained in the new leadership model(1)	ND	ND	42%	100%	Crédit Agricole S.A.
	% of women in senior management	ND	ND	24%	30%	Crédit Agricole S.A.

(1) Training: HEC Programme - Leadership, Meaning and Empowerment.

2.2 AN ORGANISATIONAL TRANSFORMATION TO BE CLOSER TO CUSTOMERS

Policy

The Group stands out by offering its customers **direct access to a local customer relations manager.** This manager demonstrates good judgement and has more responsibility to satisfy customer needs quickly. Internally, this is achieved through greater cross-functionality and collective agility while adapting to the digital change that is impacting how we work.

This organisational simplification is reflected by:

- flatter reporting structure;
- greater responsibility and greater cross-functionality;
- a shortened decision-making process that frees up time by shortening decision-making channels;
- new workspaces and more teleworking.

Action plans and results

Shortened decision-making channels

Each entity works in the area that is most closely related to its challenges, specific characteristics and needs.

To encourage faster decision-making as far down the chain of command as possible, **Pacifica** is creating two new claims management units (UGSs) in Saint-Étienne (end of 2019) and La Roche-sur-Yon (end of 2020). By doing so, Pacifica is reaffirming its strategy of close customer relations with policyholders while encouraging job creation in customer-facing positions. **Crédit Agricole Assurances** has seized the opportunity presented by the multi-channel model to increase customer closeness. By reworking Customer Service, 90% of transactions are handled with customers themselves in a branch or by the back office. More authority has also been delegated for greater decision-making reactivity.

Refer to the glossary page 647 for the definition of the technical terms.

The **Crédit Agricole Group Infrastructure Platform** (CAGIP) operating model allows each entity to work more closely with its "IT production" and use the range of basic services shared across the Group:

- the business line clusters are organised such that they can exercise their responsibility from end to end on behalf of their customer entities (quality, cost and performance);
- the ranges of basic shared services are organised to boost the industrial efficiency of the clusters;
- the Strategy, Innovation and Solutions Department is organised to design technological products and manage their life cycle;
- the organisation of the Human Resources and Transformation Department is evolving to combine all employee-focused activities and to support transformation and the business lines.

In its strategic plan "**LCL** Tomorrow 2022", LCL places customer and employee satisfaction at the centre of its action plan. To provide a concrete response to the expectations expressed by employees as part of LCL Tomorrow's feedback mechanism, a specific action plan called Facilit has been designed and implemented. The amount of authority given to advisers was a subject of irritation, both for network employees and for customers. The Facilit plan is designed to simplify processes and wait times, share best practices and give a certain degree of latitude and autonomy back to advisers. The new authorities granted to advisers now cover:

- the approval of credit cards, which has freed up more sales time and offered greater responsiveness for higher customer satisfaction;
- the approval of consumer loans, which has given more autonomy to advisers to assist customers with their projects;
- the approval of mortgages, which has brought 80% of decisions back to the branch level and made it possible to provide faster answers to customers.

Thanks to Facilit, new tools have been created to simplify daily tasks and shorten decision-making channels for LCL managers and employees.

More agile workspaces and work methods

In September 2018, the Department of Human Development (DH) of **Crédit Agricole Consumer Finance** initiated a continuous strategic improvement approach called *"Dans la peau du client"* (In the customer's shoes)". DH will meet network employees with a converted shipping container called the "DH Truck", that will act as a showroom for the systems, projects and initiatives already in place. A crew from various complementary functional areas will provide answers and clarifications to questions from visitors. This approach, which is in line with the goal to balance customer and employee concerns as set out in the Group's Human Project, relies on the power of the Group to guarantee service that is always as close to employee expectations as possible. The entire Department of Human Development management team went into the field to meet its internal customers. 16 visits to listen to employees and gather feedback were organised within the operational network, at the head offices of business lines and with the members of the Executive Committee.

Following these meetings, six themes called "pleas" were identified, 17 projects were deemed priorities, and three rapid, concrete actions were taken. To demonstrate the close client-employee relationship, two "boutiks" were set up in Massy and Roubaix. Two days a week during their lunch hour, employees can meet freely with personnel from the Department of Human Development and ask questions about the processes and programmes they can take advantage of, receiving an individual answer within a maximum of 48 hours. An identical service for employees outside of Paris is currently in progress:

Crédit Agricole Assurances rolled out two Flex sites to help employees adjust to these new organisational models. In order to support the new way the life insurance business line is organised, after a pilot phase, a flex office concept was rolled out for the design of the layout of two buildings in Paris. These new workspaces were co-designed with the employees who will use them, based on their need and the way they work: various layouts for conference or meeting rooms, spaces equipped with visual management tools, project spaces, etc. Each team was able to set up its work environment. This also allowed for CAA to move to the next stage of the digital transformation by equipping the space with individual and group tools that are adapted to these new spaces and reinvented ways to collaborate and work together. These improvements aim to improve the working conditions of our employees by creating a stimulating work environment, encouraging engagement, cooperation and innovation, and helping our organisation and employees become more agile and manoeuvrable.

Moving into a new, modern head office was the perfect opportunity for **Crédit Agricole Poland** to transform its work culture and bring in new ways to work: more mobile, flexible, environmentally friendly and cooperation driven. It introduced new solutions, such as activity-based working and shared offices. It introduced teleworking (available for 60% of head office employees), paperless and digital solutions, and green policies and promoted new rules for efficient meetings and work schedules. Employees at all levels and managers helped determine the furnishings of the new workspace in order to create a friendly, efficient and attractive workspace that reflects the company's culture. Managers and ambassadors participated in cascade training and promoting new ways to work (work in a scattered team, less wasteful green habits).

In 2019, **Crédit Agricole Payment Services** decided to continue and reinforce the process for supporting work-study employees through appreciative inquiry. This approach to changing organisations, teams and people consists of capitalising on everyone's successes and positive experiences at both the company and in their private spheres. It helps with formulating professional or personal plans and with reflecting as a group on how to improve organisations and processes. It is an approach that focuses on successes to offer work-study employees, as well as their trainers, the best chance to achieve their goals and thereby help them come up with an individual or collective plan. Fifty work-study employees used this approach over three half-days of coaching from a certified trainer.

Regarding new work methods, by 2022 Crédit Agricole S.A.'s goal is for all entities in France to have signed teleworking agreements or published teleworking charters.

The number of teleworkers at **Crédit Agricole CIB** is rising and represented 22% of the workforce at end-September 2019 in France. Internationally, the objective is to double this rate in eligible countries (excluding France) to 10% by 2022.

LCL is currently expanding teleworking. The main changes in 2019 were the elimination of the age criterion for teleworking eligibility and the adaptation of terms: employees can choose between fixed days or a quota of floating days. Negotiations with social partners during the last quarter of the year resulted in the signing of an agreement with operational implementation in January 2020.

A new unanimous agreement was signed between **Crédit Agricole Payment Services** and union organisations on 17 October 2019. The new provisions in the agreement are intended to permit a larger number of employees to take advantage of teleworking. The terms for teleworking are now expanded to include:

Choice during the first year:

- a fixed plan with one day of teleworking per week;
- a flexible plan, with 18 single days possible (over a full year).

Choice at the end of 12 months of teleworking between either plan:

- an improved fixed plan of two days of teleworking per week;
- the fixed plan of one day of teleworking per week combined with a flexible plan of 18 single days.

By limiting travel between home and work, this programme reflects the determination of both CAPS and its employees to reduce their CO_2 emissions and promote a better work–life balance. In 2019, teleworkers made up 64.1% of the company's headcount.

Crédit Agricole Group Infrastructure Platform (CAGIP) has popularised teleworking by offering two plans (at home or in a coworking space):

- for regular use: up to two fixed days of teleworking per week;
- for more occasional use: pool of 20 days per year to be used freely.

In July 2019, **Amundi** finalised the deployment of the teleworking agreement in France. The global framework and the operating principles where defined in a charter signed 4 September 2018. Elligible employees as defined in this charter can, with approval of their manager, benefit from one day of teleworking a week. 23% of employees in France applied end 2019.

2.3 STRENGTHENED ENVIRONMENT OF TRUST FOR MUTUAL COMMITMENT OF EMPLOYEES AND THE COMPANY

Introduction

Social dialogue, which is one of the fundamentals of the social pact of Crédit Agricole SA, is one of the human aspects of the Group's "Ambitions 2022" Project. In 2019, this was reflected through most Group entities setting up new employee representative bodies in response to the labour ordinances of 22 September 2017 and the signing of two Group agreements on union responsibilities. This approach of **collective and social engagement** also resulted, for the first time, in the signature of an international framework agreement that accounts for the Group's global dimension. It establishes a **common set of rights for all Group employees.**

In addition, knowing that **diversity is an ideal catalyst for changing current leadership rules, accelerating our managerial transformation,** meet the challenges of tomorrow and attract the talent necessary to make our Human Project a reality, the Group has made commitments to the following priorities:

- continue to increase the number of women in management and our talent pools;
- make our talent pools more international;
- non-discrimination and equal opportunity;
- integration of young workers and access to employment.

2.3.1. Guaranteeing constructive social dialogue within the Group

Policy

The Group attaches great importance to developing and maintaining **rich social dialogue.** Social dialogue is embodied by two cross-functional organisations within Crédit Agricole S.A. and the Regional Banks: the **European Works Council** and the **Group Works Council.** In addition, there is a specific body within Crédit Agricole S.A.: the **Consultation Committee.**

The European Works Council was established by a collective agreement on 30 January 2008. The European Works Council's Select Committee met twice in 2019. These meetings mainly covered the closing of CA Life Greece, the presentation of the CACEIS strategy with information/consultation on the proposed structuring partnership between CACEIS and Santander, as well as follow-up of the "Ambitions 2020" MTP. In addition, in July 2019, the members of the Select Committee travelled to Spain and Portugal with an expert for a study tour during which they met all the management teams of the entities located there (CACIB, CAIWM, Bankoa, Credibom, GNB Seguros) and heard presentations on their strategic, economic, social and CSR visions. The annual plenary meeting of the European Works Council was held in November 2019. It was an opportunity to discuss the general progress of the Group, the reports of the Committee's expert on the progress of the MTP and the study mission carried out on the Iberian Peninsula, follow-up on the partnership between CACEIS and Santander, the Kas Bank project, the 2018 social overview, and the use of an expert to define its 2020 mission.

Over the course of 2019, the Group Works Council held two plenary meetings and two meetings as the Economic and CSR Commission. In addition to the presentation of the 2018 results and the general state of the Group, these meetings were an opportunity for Committee members to hear a progress report on the Tokyo project, an expert's report on the Group's CSR policy, and the Large Customer banking business at the Group. It was also an opportunity to discuss the Group's Human and Societal projects and to deliberate on extending the term of office of its members until 30/06/2020.

A joint meeting of the European Works Council Select Committee and the Officers of the Group Works Council was also organised in July 2019 to present the new Group Project.

Crédit Agricole S.A.'s Consultative Committee was formed by an agreement signed on 25 February 2005. Composed of six representatives per representative trade union at Crédit Agricole S.A., it met twice in 2019. In May, it heard the results of the 2018 ERI survey and the 2018 social overview and then in September, it heard about the new Group project and the launch of the 2019 ERI survey. Emanating from the agreement that instituted the Consultative Committee, the trade union representatives of the Group are tasked with improving social dialogue by passing on labour-related information in an informal and constructive way. They met 11 times during the year.

Created by the job and skills forecast management ("GPEC") agreement of 6 July 2012, two complementary bodies are specifically dedicated to the issue of employment and skills:

- the **GPEC Committee** is charged with monitoring the strategy and its foreseeable consequences on employment;
- the mission of the **job trends watch** unit is to conduct prospective analyses on changes in business lines and job trends.

The GPEC Committee met three times in 2019. A summary of training plans at the Group, a report on current mobility schemes, the annual indicators for monitoring the GPEC, a summary of the strategic guidelines of the various entities of the Group and the Group's employer brand strategy were presented at these meetings.

Refer to the glossary page 647 for the definition of the technical terms.

The job trends watch unit met once in 2019. At that meeting, the results of a study conducted by the AFB job trends watch on new skills and the transformation of jobs by 2025 were presented.

Action plans and results

The labour ordinances signed on 22 September 2017 profoundly changed the way **employees are represented at companies.** A Social and Economic Committee (CSE) was established at the different Group entities in 2018 and 2019, with the signing of collective agreements on the employee representative bodies at eight entities in 2019 (CA Immobilier, CAIWM, CAL&F, CAAS, CACIB, CAPS, Pacifica, and UES Crédit Agricole S.A.). At three of the entities (CA Immobilier, CAPS, and UES Crédit Agricole S.A.), the creation of the CSEs also included agreements on social dialogue.

Following discussions conducted in 2018 during two social conferences and by working groups composed of representatives of employees and the human resources departments of Group entities, **two Crédit Agricole S.A. agreements were signed on 8 March 2019:**

- a fixed-term agreement relating to professional support for employees leaving their positions as employee representatives;
- an open-ended agreement relating to the career paths of employee representatives.

The fixed-term agreement provides that each entity will appoint one HR representative in charge of repositioning employee representatives and will set up a support mechanism for employee representatives who have lost their positions as representatives. For entities in which more than 10 employee representatives are to be repositioned, an orientation and support unit composed of the designated representatives from human resources will be formed.

The open-ended agreement establishes a certain number of actions to be implemented over time: training for representatives of the personnel/employees/managers, communications before and after elections, a study on the creation of the digital platform for the Group on social dialogue, the creation of a competency dictionary and an interview template specifically for employee representatives, the establishment of a Career Committee made up of HR representatives dedicated to managing employee representatives.

Building on its support of the Global Deal, and in line with the reinforced social pact included in the Group's Human Project, the Group **signed an international framework agreement (IFA) on 31 July 2019.** This Crédit Agricole S.A. international framework agreement was negotiated with UNI Global Union, an international union federation in the private service sector. This three-year agreement reaffirms a number of fundamental human rights (the fight against discrimination, gender equality, health, quality of work life, the work environment, the prevention and the fight against moral and sexual harassment) and emphasises the recognition and exercise of union rights. It establishes the principle that regular social dialogue but be a mainstay of employer–employee relations. It makes a commitment to disabled workers by providing for an action plan at each entity. It establishes 16 weeks of paid maternity leave as from 1 January 2021 and recommends that the entities institute adoption or paternity leave in order to account for different parenting situations. Finally, this agreement provides for an assessment of the benefits schemes in effect in the Group. To signal its commitment to respecting these fundamental rights, Crédit Agricole Italia signed an agreement against gender violence in which the company undertakes to take specific measures to call attention to and protect employees who are survivors of workplace and domestic violence.

2.3.2. Building on our diversity for a stronger workplace community

Policy

The principles of **non-discrimination, diversity of career paths** and even **age diversity** are all issues the Group is committed to and intends to apply in order to guarantee equal treatment of employees and future recruits and promote diversity. The Group is targeting diversity in relation to society and the marketplace by implementing actions to attract, recruit and develop people with different genders, seniority, training, experience, locations, and other factors.

The diversity of our workers and our ability to experience diversity inclusively are major concerns for the Group and for each of our employees so that we can tackle challenges related to a changing world and meet the expectations of our customers, employees and society at large. Defined by a decentralised and entrepreneurial culture where humanity is what brings us together and share with each other, our Group embodies diversity.

With the firm belief that diversity and inclusion are real assets and will accelerate its transformation, the Group is reaffirming its desire to promote them by including concrete, ambitious actions in its Human Project.

Action plans and results

Gender equality at work

For the past several years, Crédit Agricole S.A. has been committed to efforts to **promote gender equality at work,** notably through signing agreements on topics such as equality in recruitment, training, promotion, compensation and the even work–life balance. In 2019, 53% of the Group's worldwide workforce was women.

The Crédit Agricole S.A. has put many measures in place to support work–life balance: reducing the impact of **maternity leave** on women's careers, helping them stay engaged and develop their talents, meeting the new expectations of employees who are parents (especially fathers), adapting workplace organisation to allow more flexibility, and promoting better balance to better manage being a parent. In addition, an international framework agreement was signed on 31 July 2019. It establishes 16 weeks of paid maternity leave, includes a period prior to giving birth, in all the countries where the Group does business.

Crédit Agricole S.A. has reaffirmed its commitment **to equal pay between men and women.** To achieve this, the Group and all its entities carry out regular analysis to monitor the appearance of any pay differences, and if appropriate, plan remedial measures. A coherent approach that was initiated at the Group level in 2018 continued in 2019. It allows the Group to:

- intelligently measure and analyse the wage gaps between men and women, taking into account the diversity of the Group's professions;
- resolve unexplained gaps;
- monitor managerial/HR actions that could result in increased inequality.

The publication of the gender equality index, established by the government, helps demonstrate the effectiveness of the actions taken at the Group with positive grades:

- 84/100 for the *Unité économique et sociale* (UES) of Crédit Agricole S.A.;
- between 77 and 93/100 for the other entities of Crédit Agricole S.A.

This indicator highlights the policy for distributing raises and promotions equally between women and men, as well as the proper management of compensation upon returning from maternity leave.

Crédit Agricole Consumer Finance decided to pilot test the gender equality index at its international entities to measure their progress in professional equality. This annual calculation helps entities identify their areas of improvement, define relevant action plans, and monitor changes from year to year.

Moreover, to **encourage the ambitions of talented women and accelerate their promotion** to management positions where they are still under-represented, an action plan was created in 2017 and rolled out and improved in 2019 at all levels of the Crédit Agricole S.A. In particular, a specific review of management teams and succession plans was initiated in September 2019 with a focus on identifying female talents. The goal was to create a more robust and diversified talent pool in order to lay the path for an executive succession plan to make the Group's ambition a reality, tackle the challenges of the "Ambitions 2022" strategic plan, and reflect the richness of our business lines and the diversity of our talent at the Group level. This means particular attention is paid to the promotion of talented women when filling managerial position and appointing executives and at least one female candidate is included on the list of candidates.

Various complementary initiatives are also being orchestrated to support this goal:

- training in the role of Director to provide the Group with a pool of men and women ready to join one of the Boards of Directors of a Group entity or an external Board. The Group has chosen the Corporate Director Certificate programme offered by IFA/Sciences Po to develop these skills;
- a mentoring programme by the members of the Executive Committee to prepare talented and motivated women for positions with greater responsibility and enrich the Group's talent pool. The third class of the mentees started the programme in October 2019 with 30 pairs of employees, raising the number of pairs formed since the start of the Mentoring Programme to 86. This programme has also helped a number of entities to develop their own mentoring programme;
- the "Young Female Talent" training programme. Launched in late 2017, this programme has been completed by 120 young talented female employees to help them learn about corporate etiquette and prepare them to learn the keys to advancing their careers;
- a new "Leading @ Crédit Agricole" programme was launched in October 2019 with a specific focus on women (to accelerate the addition of more women in management). This programme is part of the Group's managerial transformation plan and aims to facilitate the development of a future generation of more gender balanced and diverse executives and to get corporate culture to change by guiding these future executives towards a renewed leadership model.

In May 2019, **Indosuez Wealth Management** launched an action plan to promote gender equality. The plan was co-created with six women employees who had taken advantage of a mentoring programme with members of the Indosuez Management Committee and incorporated contributions from employees from different geographic areas. The plan has five components: the development of potential, the development of networks, career and succession planning, women's voices, and compensation.

In 2019, **Crédit Agricole Italia** continued its initiatives aimed at improving gender equality and policies of inclusion. It was with this initiative in mind that Crédit Agricole Italia signed the "Women in Banking" Charter promoted by the Association of Italian Banks. The goal of the charter is to highlight gender equality as a key factor for development, sustainable growth, diversity, and value creation in all companies.

The Charter pledges to improve corporate policies on equal opportunity.

Paying special attention to the internationalisation of our talent pools

With over half of our **staff working abroad,** it goes without saying that some of our Group processes needed to be adapted. As a result, in November 2019, the Crédit Agricole Group decided to open a bilingual version its Executive training programme to all business lines and all nationalities. Candidates can now choose to complete their evaluation in French or in English.

Improving employee awareness of gender equality issues

Crédit Agricole S.A. has **14 Diversity networks** in France and abroad, including two created in 2019 (Mixt&Win at CA Consumer Finance and Potentielles CAPS). These networks have more than 1,800 members (over 1,400 in France, plus 400 abroad), 20% of whom are men. They represent an opportunity for all employees who are motivated to create greater diversity, regardless of gender, to contribute to the Group's development.

Gender Equality Week, organised each year by all Group entities, represents an important opportunity for communication, discussion and raising awareness for all employees. During Gender Equality Week 2019, a special newsletter was sent out that included interviews with executives on gender diversity, as well as profiles of employees involved and news articles about the progress in gender equality around the world. The members of the Executive Committee of Crédit Agricole S.A. also committed to promoting diversity through video interviews, and employees of all genders were able to attend presentations and workshops to collectively reflect further on the subject of diversity.

Increased awareness of non-discrimination

In order to combat all forms of discrimination and make diversity a catalyst for corporate transformation and managerial performance, regular actions to raise awareness about stereotypes have been taken by **Amundi** in France. A two-part training programme on combating discrimination that was launched in 2018 continued:

- mandatory training on non-discrimination for managers and recruiters in human resources. In two years, over 500 managers completed this training;
- the launch in 2019 of an applied game called "Living Diversity Together" for all employees, including managers. This game is an innovative and interactive training programme to become aware of various forms of discrimination that may be experienced in the work environment.

The "Meeting Point" programme, initiated in 2015 by **LCL** and **Apels** (a French agency for education through sports) offers young adults with few academic qualifications but who are involved in a sport and motivated by the idea of working in the banking sector the opportunity to join a training programme to become an Individual Customer Adviser. The programme involves a four-week period, supervised and directed by Apels, to learn the skills that are essential in the professional world, followed by an 18-month internship during which young people receive training created by LCL that alternates between the theoretical and practical aspects of a banking job (customer adviser, after-sales service representative). Several banking establishments have joined the programme since it was launched, and more 130 young persons have been supported by LCL since 2015. About fifteen groups of young people have been created in Paris, Lyon, Bordeaux, Lille, and Marseille, with a rate of return to employment of 95%, all companies combined. LCL also participates in the Wintegreat programme, which aims to revive the careers of refugees. Through the programme, LCL integrated three people into its compliance department and banking network.

Refer to the glossary page 647 for the definition of the technical terms.

With the goal of improving managers' skills to help them better manage diversity, know what constitutes an act of discrimination or psychological/sexual harassment, and identify best practices, the members of the France Management Committee of CACEIS were trained in diversity and harassment in November 2019. The launch of this training programme for all managers is planned in 2020. An applied game about diversity was also piloted with certain employees and members of the France Management Committee.

Disabilities policy

Since the passing of the Law of 11 February 2005, Crédit Agricole S.A. has committed, through successive Group agreements on disability, to **advancing the direct employment of persons with disabilities** within Group entities and to developing indirect employment, in particular through a policy to purchase from companies in the sheltered and adapted labour sector. These three-year commitments, which are monitored annually by the social partners and government representative, have enabled the Group to record a very significant increase in the legal indicator (employment rate). A fifth Group agreement on disability was signed for the period 2017-2019. The agreement still covers most of the above themes, but the objective has changed with a commitment to recruit 150 employees with disabilities, including 50 on permanent employment. The agreement also highlights the interest in monitoring the transformation of temporary contracts into permanent contracts, with a 20% transformation commitment at the end of the agreement. 2019 was a particularly busy year, with Crédit Agricole S.A. actively participating in discussions leading up to the Law of 5 September 2018, which will be implemented on 1 January 2020 (Article 67 of the French Law on the freedom to choose one's professional future) and which reshapes the requirement to employ workers with disabilities.

For the third and final year of the fifth agreement on disability, the Group hired 31 new employees with disabilities, 12 of whom were on permanent contracts. This brings the total number of new hires to 124, including 48 permanent contracts. In order to improve its results, Crédit Agricole S.A. organised an inaugural **Forum dedicated to the employment of disabled workers.** It was held in Montrouge on 19 June 2019, with the support of *Pôle Emploi* and *Cap Emploi* to find candidates; nine companies within the Group also actively participated in this forum. The volume of purchases from the sheltered and disability-friendly sector should be the same as in 2018. As every year, the Group was involved in communication and awareness-raising activities, particularly during the week for the employment of persons with disabilities, which took place this year from 18 to 22 November. The Group also made significant efforts that year to participate in a number of initiatives to promote employee awareness and the inclusion of people with disabilities, such as:

- for the second year, Crédit Agricole S.A. and Amundi participated in the gala of the *Autistes sans frontières* association, held on 18 April 2019. The goal of the event was to raise money to fund specialised and individualised support for hundreds of children with disabilities in regular schools;
- as part of the changes brought about by the 2005 law, the government wanted to renew the regional Duodays initiative at the national level and make it a European event. Duodays is an event where an employee volunteer at a company, public body, or association is paired with someone with a disability for a day. On 14 May 2019, CA-CF mobilised its employees in Massy and further afield to form 14 such pairs.

Crédit Agricole S.A. and *Fédération Nationale du Crédit Agricole* (FNCA) signed the "Manifesto for the inclusion of persons with disabilities in the workplace" on 13 November 2019. By signing on to this initiative, all entities at Crédit Agricole have committed to continue their actions to promote the inclusion of workers with disabilities.

Finally, Crédit Agricole S.A. opened negotiations with its social partners during the last quarter of 2019 in order to sign a sixth agreement to promote the employment of disabled workers.

2.3.3. Health, safety and quality of work life

Policy

As part of the **GDPR (General Data Protection Regulation),** which entered into force on 25 May 2018, the Group took the initiative to create two **Personal Data Protection Charters,** one for recruitment purposes and the other for Group employees. These charters, prepared in conjunction with the processing registers set up by the Group entities, explain the rights enjoyed by the Group's current and potential employees, as well as how and where they can exercise these rights.

The International Framework Agreement signed last 31 July by Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A., and Christy Hoffman, General Secretary of UNI Global Union, covers human rights, the fundamental right to work, and the development of social dialogue. It **is designed to provide a shared foundation for social benefits to all Group employees, no matter which country they work in, through several commitments regarding disabilities, parental leave, and insurance.**

Faced with the new requirements of an environment that is changing dramatically and changes in the way people work, the Group is convinced that **quality of work life** (QWL) is a **major contributor to economic performance and employee engagement.** The Group's push through its telecommuting charter, which was renewed in 2018, continues to be defined by the entities themselves, primarily through the implementation of agreements on these topics negotiated at each entity or the signing of new agreements in order to promote and anchor QWL in their company policies.

Action plans and results

The **TakeCAre** programme made it possible to enhance the health and insurance schemes (death, disability and temporary incapacity to work cover) for nearly 8,000 employees and their families in four countries where there are retail banks abroad (Egypt, Morocco, Serbia and Ukraine).

In 2019, two entities of the Group signed an agreement on quality of work life:

- the CA Immobilier agreement on 28 June 2019 "was based on the belief that a good quality of work life is the foundation of employee performance and, as a result, of the overall success of the company." In addition to a section on professional equality, CA Immobilier wanted to reaffirm the general framework for QWL and the involvement of all stakeholders, as well as the importance of taking the prevention of psychosocial risks into account. CA Immobilier also wanted to include provisions on telecommuting in this agreement and make it possible to allocate untaken rest days to family carers assisting people who have lost their independence or have a disability;
- on 19 March 2019, an agreement on the quality of work life was signed at CAL&F. It introduces measures intended to give meaning to work; encourage an environment that promotes well-being at work; encourage balance between personal live and work life; support transformational projects for maintaining QWL; encourage and promote the individual and collective sharing of employees' opinions; and combat all discrimination in recruitment, employment and access to professional training. In addition, this agreement includes provisions on notifying employees about programmes related to QWL at the entity and establishes a QWL commission. Earlier in the year, CAL&F signed an agreement on telecommuting (8 February 2019).

Entities already covered by an agreement continued to roll out QWL-related initiatives. For example:

- **CACEIS** repeated its "Health days", an initiative that is part of its FAB'Life programme that features workshops and themed presentations devoted to health and well-being.
- **Crédit Agricole Consumer Finance** organised a "QWL Week" in November 2019 dedicated to the health of its employees with the theme of "taking care of your heart", with workshops led by the medical department, personal trainers, and the ANPAA (National Association for the Prevention of Alcoholism and Addiction), as well as an informative presentation given by a dietician.
- **Crédit Agricole S.A., CACIB, CAL&F, CAPS** and **CAGIP** organised sessions on diabetes prevention, with information and testing offered to their employees at the Evergreen and Saint-Quentin-en-Yvelines locations during the week for the employment of persons with disabilities in November 2019.
- In 2019, **Crédit Agricole Payment Services** gradually created a programme to offer employees "breathing and rest spaces" at its two locations in Saint-Quentin-en-Yvelines and Lyon, with two goals: to prevent musculoskeletal disorders and encourage employees to take a step back and let go. The programme offers a variety of formats, including workplace yoga sessions, continuous access to an advice chatbot, and guided mindfulness sessions).
- In April 2019, **Crédit Agricole S.A.** also offered a presentation led by a start-up that raises awareness among companies and their employees about the benefits of yoga in the corporate setting. The presentation was open to the employees of the entities operating at the Evergreen and Saint-Quentin-en-Yvelines facilities, who discovered the right movements for relieving and preventing stress, as well as improving concentration and musculoskeletal disorders related to poor posture, working at a screen and being sedentary.
- In July 2019, **Wafasalaf,** the Moroccan subsidiary of CACF, was awarded a "Tobacco-free business" designation from the "Lalla Salma Foundation – Cancer Prevention and Treatment". This designation recognised the efforts Wafasalaf has made since 2013, including the drafting of a "Tobacco-Free Business" Charter, raising awareness about the dangers of tobacco use among employees and teenagers by specialised professors, and even offering medical assistance for employees who wanted to quit smoking.
- In connection with the "Respect Charter" signed by **Crédit Agricole Italia** to promote and reinforce respect in the workplace, a seminar for 70 "respect influencers" was held and in the spring, with a follow-up at the end of September during which participants shared experiences on sharing these principles at the Group.
- In September 2019, **LCL** conducted a campaign to raise awareness about the effectiveness of meetings by sharing advice aimed at optimising the organisation and how meetings are conducted.
- As part of the Crédit Agricole S.A. International Framework Agreement, **Amundi** decided, as from 1 January 2020, to implement a global policy at all its entities: the rollout of 16 weeks of paid maternity leave, plus a thorough interview with HR to prepare to return from maternity leave, as well as five days of paid paternity leave.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Strengthened environment of trust for mutual commitment of employees and the Company	Increase in ERI Survey participation rate	ND	ND	+7 points	-	Crédit Agricole S.A.

2.4 HR INDICATORS

Number of employees

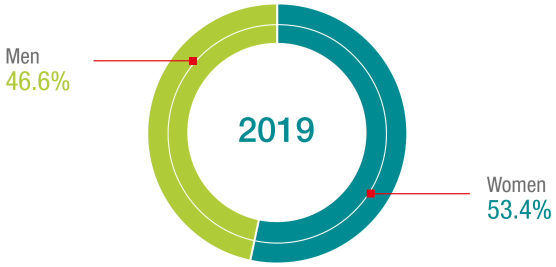
Headcount by type of contract (full-time equivalent)

			2019			2018
	France	International	Total	France	International	Total
Active permanent contracts	34,367	35,011	**69,378**	35,416	34,447	**69,863**
Fixed-term contracts	606	3,053	**3,659**	584	2,899	**3,483**
Total employees	**34,973**	**38,064**	**73,037**	**36,000**	**37,346**	**73,346**
Non active permanent contract (CDI) employees	1,104	1,282	**2,386**	1,149	1,316	**2,465**
TOTAL	**36,077**	**39,346**	**75,423**	**37,149**	**38,662**	**75,811**

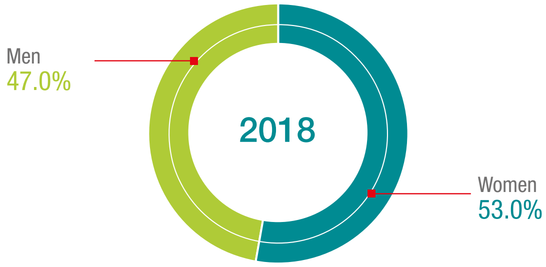
Beneficiary View.

Refer to the glossary page 647 for the definition of the technical terms.

Breakdown of workforce by gender



Scope covered: 99%



Scope covered: 99%

Breakdown of workforce by level/gender

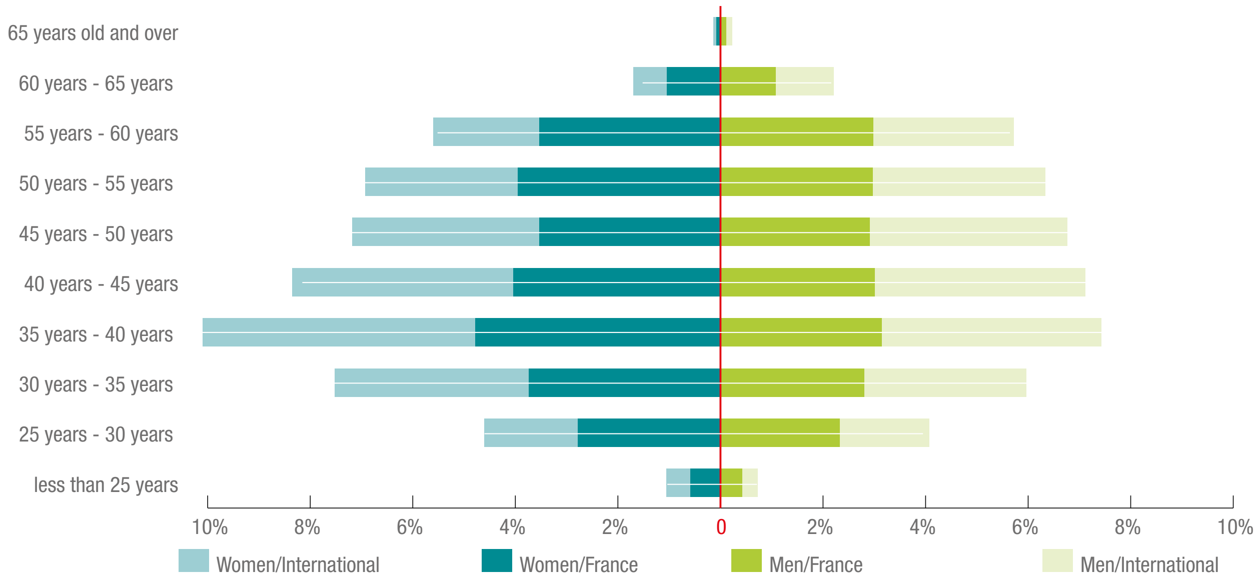
France

	2019		2018	
	Managers	Non-managers	Managers	Non-managers
Headcount in France *(as %)*	**68.7**	**31.3**	**68.1**	**31.9**
Women	60.1	39.9	58.5	41.5
Men	79.9	20.1	79.9	20.1
Scope covered - France		*99%*		*99%*

International

	2019			2018		
	Senior managers	Managers	Other employees	Senior managers	Managers	Other employees
International headcount *(as %)*	**3.0**	**25.6**	**71.4**	**3.0**	**26.6**	**70.4**
Women	1.6	19.6	78.8	1.6	20.1	78.2
Men	4.4	31.8	63.8	4.5	33.3	62.2
Scope covered - International			*99%*			*98%*

Age structure



Scope covered: 99%

Average age and length of service

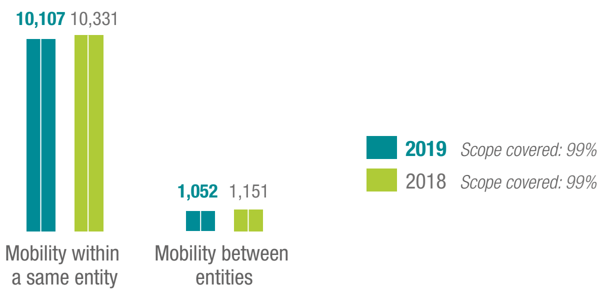
			2019			2018
	France	International	**Total**	France	International	**Total**
Average age	43 years and 4 months	43 years	**43 years and 2 months**	43 years and 2 months	42 years and 11 months	**43 years and 1 month**
Average seniority	15 years and 11 months	13 years	**14 years and 6 months**	15 years and 10 months	13 years	**14 years and 6 months**
Scope covered			*99%*			*99%*

Departures of permanent contract employees by reason

				2019				2018
	France	International	**Total**	%	France	International	**Total**	%
Resignation	1,194	1,705	**2,899**	50.1	1,108	1,805	**2,913**	49.1
Retirement and early retirement	455	478	**933**	16.2	706	408	**1,114**	18.7
Lay-off	223	329	**552**	9.5	227	421	**648**	10.9
Death	20	22	**42**	0.7	19	21	**40**	0.7
Other	626	734	**1,360**	23.5	517	703	**1,220**	20.6
TOTAL PERMANENT CONTRACT DEPARTURES	**2,518**	**3,268**	**5,786**	**100.0**	**2,577**	**3,358**	**5,935**	**100.0**
Scope covered				*99%*				*99%*

Mobility/career management

Internal mobility



Promotions in France

			2019			2018
	Women	Men	**Total**	Women	Men	**Total**
Promotion in the non-manager category	837	311	**1,148**	777	378	**1,155**
Promotion from non-manager to manager	353	178	**531**	490	316	**806**
Promotion in the manager category	446	520	**966**	527	699	**1,226**
TOTAL	**1,636**	**1,009**	**2,645**	**1,794**	**1,393**	**3,187**
%	61.9	38.1	**100.0**	56.3	43.7	**100.0**
Scope covered France			*99%*			*99%*

Refer to the glossary page 647 for the definition of the technical terms.

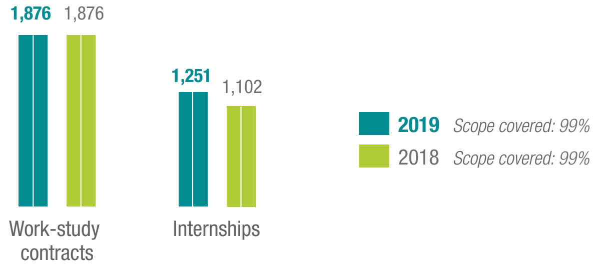
Equal treatment

Proportion of women *(%)*

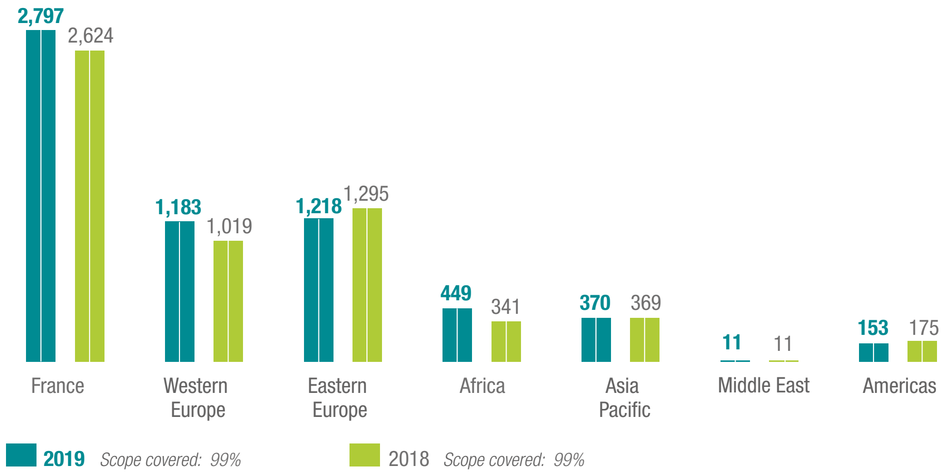
	2019		2018	
	%	Scope covered	%	Scope covered
Among all employees	53.6	100%	53.3	99%
Among permanent contract employees	53.1	100%	53.0	99%
Among management levels 1 and 2	22.9	100%	21.4	100%
Among the Group Executive Committee	2 out of 16	100%	1 out of 15	100%
Among the top 10% of highest-earning employees in each subsidiary (fixed compensation)	30.0	99%	29.6	99%

Recruitment

Internships and work-study contracts (average monthly FTE)

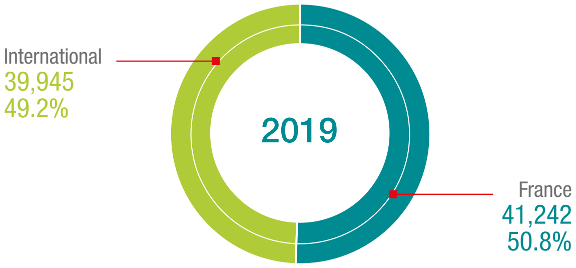


Recruitment by region

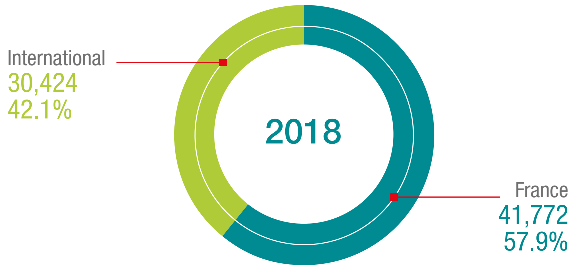


Training

Number of employees trained



Scope covered: 98%



Scope covered: 95 %

Training topics

	2019 (12 months)				2018 (12 months)	
	Total	%	o/w France	o/w International	**Total**	%
Knowledge of Crédit Agricole S.A.	**26,809**	1.2	5,525	21,284	**22,425**	1.1
Personnel and business management	**90,483**	3.9	43,575	46,908	**117,668**	5.8
Banking, law and economics	**471,488**	20.4	342,326	129,162	**397,699**	19.7
Insurance	**367,415**	15.9	148,057	219,358	**259,270**	12.8
Financial management (accountancy, tax, etc.)	**32,666**	1.4	19,527	13,139	**47,005**	2.3
Risks	**81,579**	3.5	38,727	42,852	**81,650**	4.0
Compliance	**472,426**	20.4	102,084	370,342	**368,489**	18.2
Methods, organisation, quality	**111,089**	4.8	23,953	87,136	**125,040**	6.2
Purchasing, marketing, distribution	**117,048**	5.1	21,710	95,338	**105,145**	5.3
IT systems, networks, telecommunications	**56,640**	2.4	19,135	37,505	**40,755**	2.0
Languages	**144,251**	6.2	39,681	104,570	**129,315**	6.4
Office systems, software, new ICT	**36,357**	1.6	15,057	21,300	**44,668**	2.2
Personal development, communication	**202,529**	8.8	75,000	127,529	**192,128**	9.5
Health and safety	**72,799**	3.1	16,111	56,688	**62,264**	3.1
Human rights and the environment	**13,870**	0.6	1,739	12,131	**7,374**	0.4
Human Resources	**16,480**	0.7	5,873	10,607	**20,815**	1.0
TOTAL	**2,313,929**	**100.0**	**918,080**	**1,395,849**	**2,021,710**	**100.0**
Scope covered			*98%*			*95%*

Refer to the glossary page 647 for the definition of the technical terms.

Compensation

Annual fixed salary scale

Scope covered France: 99%

Average monthly salary of active permanent contract employees in France (gross basic salary)

			2019			2018
	Women	Men	**Global**	Women	Men	**Global**
Managers	4,352	5,294	**4,830**	4,369	5,234	**4,823**
Non-managers	2,518	2,515	**2,517**	2,494	2,489	**2,493**
TOTAL	**3,620**	**4,735**	**4,107**	**3,591**	**4,683**	**4,079**
Scope covered France			*99%*			*99%*

Collective variable compensation paid during the year on the basis of the previous year's results in France

			2019			2018
	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*	Total amount *(in thousands of euros)*	Number of beneficiaries	Average amount *(in euros)*
Profit-sharing	57,075	32,241	1,770	38,670	32,513	1,189
Incentive plans	181,081	43,865	4,128	192,527	44,127	4,363
Employer's additionnal contribution	50,559	33,629	1,503	48,037	34,671	1,386
TOTAL	**288,715**			**279,234**		
Scope covered France			*99%*			*99%*

Health & safety

Absenteeism in calendar days

	2019					2018		
				Total	Average number of days' absence per employee		Total	Average number of days' absence per employee
	Women	Men	Number of days	%		Number of days	%	
Sickness	497,174	200,044	697,218	52.3	**9.4**	661,158	50.5	**9.3**
Accident	18,938	7,437	26,375	2.0	**0.4**	24,915	1.9	**0.4**
Maternity, paternity, breast feeding	414,024	13,220	427,244	32.1	**5.8**	455,868	34.8	**6.4**
Authorised leave	89,922	68,868	158,790	11.9	**2.1**	145,595	11.1	**2.1**
Other	13,280	10,030	23,310	1.7	**0.3**	21,115	1.6	**0.3**
TOTAL	**1,033,338**	**299,599**	**1,332,937**	**100.0**	**18.0**	**1,308,651**	**100.0**	**18.5**
Scope covered					***98%***			***98%***

Work organisation

Proportion of part-time employees

	2019			2018		
	Women	Men	**Total**	Women	Men	**Total**
Part-time employees	6,599	754	**7,353**	6,613	793	**7,406**
Part-time employees as % of total	17.4	2.3	**10.3**	17.6	2.4	**10.5**
Women as of % of part-time employees			**89.7**			**89.3**
Scope covered			***99%***			***99%***

Labour relations

Number of company agreements signed during the year by subject

	2019			2018		
	France	International	**Total**	France	International	**Total**
Compensation and benefits	60	27	**87**	28	ND	**ND**
Training	0	19	**19**	0	ND	**ND**
Employee representative bodies	32	1	**33**	26	ND	**ND**
Jobs	2	9	**11**	4	ND	**ND**
Working hours	6	8	**14**	9	ND	**ND**
Diversity and equality at work	3	1	**4**	3	ND	**ND**
Health & Safety	3	0	**3**	3	ND	**ND**
Others	19	15	**34**	16	ND	**ND**
TOTAL	**125**	**80**	**205**	**91**	**ND**	**ND**
Scope covered			***92%***			

Refer to the glossary page 647 for the definition of the technical terms.

3. SOCIETAL PROJECT: COMMITTING TO A MORE INCLUSIVE AND LOWER-CARBON ECONOMY

In the face of **growing inequality,** people around the world are mobilising to assert the need to live in dignity. In Europe, the **impoverishment of the middle class was the subject of an in-depth study by the OECD stressing this trend.** At the same time, awareness of the **environmental and climate emergency** is growing, and citizen initiatives challenging governments for their failure to act are multiplying. Young generations are particularly engaged, as demonstrated by the success of climate marches in France and abroad.

Now is no longer the time for inaction. Companies, along with governments and citizens, must help to reduce the social divisions and accelerate the transition to a greener economy. **The Societal Project** of the Crédit Agricole Group is the third pillar of the "Ambitions 2022" strategic plan, together with the "Customer" and "Human" projects. It reflects the integration of these social, environmental and societal plans into the centre of the Group's strategic response, in line with its Raison d'Être. This project is organised around two major commitments: contributing to an inclusive economy where the Group operates, consistent with the Group's mutual and local banking model, and supporting the energy transition through a formal and ambitious climate strategy.

The Group's Climate strategy, published last June, is aligned with the Paris agreement. It plans for a progressive reallocation of the Group's financing and investment portfolios in order to make green finance one of its growth drivers.

In 2019, the Group endorsed the **Principles for Responsible Banking** and the **Collective Commitment to Climate Action.** This endorsement has been reflected through concrete action, as shown in the table below.

Actions by the Crédit Agricole Group initiated during the first year after signing on to the Principles for Responsible Banking

Principles	UNEP FI Recommendation	Concrete actions
1. ALIGNMENT	■ Identify the relevant social and environmental challenges related to the Company's business as expressed in the UN Sustainable Development Goals and the Paris Climate Agreement. ■ Integrate these challenges into the Company's strategy.	The Group has put societal commitments at the centre of its "Ambitions 2022" strategic plan to reflect its Raison d'Être. Crédit Agricole has also published an ambitious climate strategy that has been praised by NGOs.
2. IMPACT AND TARGET SETTING	■ Analyse the environmental, social and economic impacts (negative and positive) of the portfolio by business sector, region and customer. ■ Identify the most important challenges, as such climate and equal pay for women and men.	■ For several years, the Group has integrated ESG criteria into its investment and financing decisions, thereby promoting responsible finance with its customers. ■ The Group has also measured the carbon footprint of its portfolios since 2011. Pay equality is one of the ESG criteria used.
3. CLIENTS AND CUSTOMERS	Guide the most exposed customers towards a just transition.	■ The Group's responsibility to its customers is described in the first section of this Statement of Non-Financial Performance. ■ The Group is currently developing a "transition grade" whose methodology will be determined in 2020 by conbining the expertise of Crédit Agricole CIB and Amundi. ■ The Crédit Agricole Grameen Foundation provides funding and support to microfinance institutions located primarily in rural areas (around 50 million in funding per year). These institutions support local economies and help strengthen local communities.
4. STAKEHOLDERS	■ Identify the main stakeholders of the Company. ■ Formalise commitments to meet their needs.	In the last ten years, the Group has implemented a CSR survey with its stakeholders designed to identify and rank key CSR challenges. This survey is conducted every two years and will be repeated in 2020.
5. GOVERNANCE AND CULTURE	■ Analyse the ability of governance to implement these principles. ■ Define who within the hierarchy is responsible for what and set up a Committee dedicated to implementing these principles.	The Group has established CSR governance (see the introduction to this Statement of Non-Financial Performance) and governance dedicated to its climate strategy (see 3.2 of this section) responsible for implementing and monitoring the Group's commitments.
6. TRANSPARENCY AND ACCOUNTABILITY	Measure and communicate the progress made with respect to these principles through various communications and on the website.	All progress indicators are communicated to stakeholders (see the introduction to the Statement of Non-Financial Performance) and audited by one of our Statutory Auditors. They are also published on the Group's website as required by applicable law.

3.1 MUTUALIST COMMITMENT TO INCLUSIVE DEVELOPMENT

Introduction

Everywhere in the world, 2019 saw a growing number of citizen movements asserting the right to live in dignity and denouncing social inequality. These movements reflect the extreme fragility of social cohesion confronting governments and economic models that are no longer able to share the benefits of economic growth fairly. This conclusion is undeniable: according to the French National Institute of Statistics and Economic Studies (INSEE), the poverty rate increased 0.2 point to 14.3% in France in 2018.

Crédit Agricole has long been committed to combating poverty and draws on its strong local coverage, particularly its 8,200 branches in France and 2,100 abroad, to promote fairer economic development. The goal of social, financial and digital inclusion is to reduce the risks of social division within and between regions. This goal is based on three commitments:

- **to bring about economic development for all,** which, in the case of retail customers, presupposes offers that are accessible in terms of price as well as special attention to the needs of people who are the most economically vulnerable. It also means supporting the creation and development of businesses, especially small businesses, across all regions;
- **to develop social impact financing** internationally and through microfinance as part of the mission of the Grameen Crédit Agricole Microfinance Foundation or by creating investment funds or financial products with a social impact;
- **to maintain responsible ties within the community** by directly supporting local associations, which contribute to a more cohesive social and economic fabric.

3.1.1. Economic development for all

Policy

The Group's commitment to **economic development for all across all regions,** regardless of income or social status, extends to two customer categories, the first being individuals and the second being businesses (particularly small businesses, micro-entrepreneurs and farmers), which make up the local economic fabric.

For individuals

The Group's policy has a dual objective of providing everyone with access to banking and insurance services, which are essential for any social or professional activity, while at the same time protecting those who are the most financially vulnerable, particularly when it comes to over-indebtedness. This policy applies to all Group business lines:

- **Crédit Agricole Consumer Finance,** which, as a major player in consumer credit, has a special responsibility to prevent and deal with over-indebtedness. The Company is an active member of the Banque de France Over-Indebtedness Commissions and in 2013 created a customer support agency to work with customers showing signs of or meeting criteria of vulnerability and identified as "at risk of over-indebtedness". The agency analyses and assesses their financial situation, as well as how their situation is expected to change, then looks for and offers them tailored solutions in partnership with various external entities (such as the Regional Banks' *Points Passerelle*) and provides ongoing follow-up.
- Solutions implemented at **Regional Banks, LCL** and **international retail banks (IRB)** involve:
  - developing entry-level products, such as EKO by CA, and LCL Essential;
  - providing access to personal microfinance to allow people not eligible for credit to receive banking services and manage their budget at the same time (partnerships have been established most notably between ADIE and Regional Banks);
  - monitoring and providing personalised support to customers in vulnerable situations, whether due to circumstances (following a "life crisis", for example) or the need for structural support (national LCL Parenthèse unit, Regional Banks' *Points Passerelle);*
  - educating and raising awareness, especially among young people, about budget management, either in the form of workshops or courses in schools and universities, or through social assistance or employment networks geared towards young people (local job centres, back-to-work associations, etc.).

For economic agents

The policy for supporting entrepreneurial business creation and development is primarily reflected through two initiatives:

- direct financing through the provision of capital (investment funds) or the granting of loans, in partnership with local or national associations;
- establishing entrepreneur networks by creating economic ecosystems or organising events.

Developing a range of affordable products for everyone

Action plans and results

EKO is Crédit Agricole's entry-level banking offer, launched at the end of 2017. It is available to anyone over the age of 18 (whether or not they are CA customers) who want to have a bank account that offers basic banking services plus services to help them manage their budget. For €2 per month, EKO provides customers with a Mastercard debit card with balance tracking, a current account with no authorised overdraft, unlimited withdrawals from Crédit Agricole ATMs, a plan for free withdrawals in France and the European Economic Area (25 per year) and outside the EEA (10 per year), text-message alerts for better budget management (when their balance falls below €20 or they are overdrawn) and a cheque book on request (five cheques). EKO is fully digital and people-focused. Customers can set it up online or at a branch and have access to branches, advisers and the full range of Crédit Agricole banking and insurance tools, including apps (Ma Banque/Ma Carte) and online customer banking. At end of December 2019, EKO had close to 127,000 customers. In February 2020, Crédit Agricole will launch a new offer called Globe Trotter, aimed specifically at young travellers aged between 18 and 30. With Globe Trotter, customers can enjoy unlimited use their cards in France or worldwide with no fees other than the monthly €2 fee.

In May 2019 LCL launched **LCL Essentiel,** which was designed primarily to meet the needs of young, budget-conscious urbanites. For €2/month, customers get an international payment and withdrawal card, a mobile app, a dedicated in-branch adviser and a deposit account with no account maintenance fees. They also get access to all LCL products and services (loans, insurance, savings, etc.) in addition to the services included in the offer. However, to ensure customers keep their budgets in check, the account does not allow overdrafts. LCL Essential can be set up online or at a branch. New customers can arrange their subscriptions completely online at LCL.fr or start their subscription online and finish it at a branch with the help of an adviser, or vice versa.

Refer to the glossary page 647 for the definition of the technical terms.

In 2016, **Crédit Agricole Consumer Finance** and FASTT *(Fonds d'action sociale pour le travail temporaire)* joined forces to offer financing solutions specifically geared towards temporary workers in France as a way to improve their daily lives. Financial companies are often reluctant to provide loans to temporary workers because of the risk factor, job stability being one of the main criteria when granting a loan. Through this partnership, Crédit Agricole Consumer Finance undertakes to:

- study and qualify temporary workers' initial requests based on what they plan to do and their individual situations;
- allow as many temporary workers as possible to access financing according to their repayment ability and receive financing at the most favourable rate;
- provide customers with responsible, educational support so that they do not take on too much debt.

Get better at preventing and tackling over-indebtedness

Action plans and results

Since 1994, **Crédit Agricole Consumer Finance** France has been active in the Banque de France Over-Indebtedness Commissions, sending 17 representatives in 2019. In 2013, Crédit Agricole Consumer Finance France created a customer support agency which aims to:

- assist customers showing signs of or meeting criteria of vulnerability and identified as "at risk of over-indebtedness";
- analyse and assess their personal and financial situations and how these situations may change based on risk indicators and the information provided by various departments;
- look for and offer customers solutions tailored to their situations;
- monitor the effectiveness of the support solutions implemented;
- monitor external partners, namely: Crésus, *Point Passerelle* de Crédit Agricole and Crédit Municipal de Paris, as well as debt consolidation companies.

In 2019, Crédit Agricole Consumer Finance France identified 15,624 customers in situations of vulnerability (15,010 in 2018). Of these customers, 3,617 received personalised support from the customer support agency. Crédit Agricole Consumer Finance also processed 3,534 eligible Banque de France over-indebtedness cases per month.

In addition, its entities launched a number of initiatives to raise awareness about budget management:

- **Credibom,** in Portugal, created a financial education programme and label called "Popart" for young people in schools near its two main offices in Porto and Lisbon. The programme provides an educational overview of how the financial sector works and the main products offered and ends with a game to test the knowledge acquired during the session. Educational initiatives aimed at employees' children have also been carried out at Credibom offices;
- in 2014, **Wafasalaf** in Morocco launched a website called "jegeremonbudget.ma" ("I manage my budget") to help people manage their budgets. The site is divided into four sections: a budget model where users can enter their monthly expenses to optimise their budgets, advice on how to better control expenses, testimonials, and a glossary to better understand credit-related technical terms;
- **CreditPlus** in Germany has been involved in financial education for young people since 2012, providing financial and training support to EVA, a non-profit organisation based in Stuttgart. Objective: help them become wiser consumers and manage their budget in a responsible manner. Useful advice for this population at a key stage of their life. In 2019, CreditPlus also conducted financial education awareness campaigns on social media and its blog. Lastly, CreditPlus launched a pilot programme aimed at young customers to educate them about budget management. A few days before the date on which their accounts will be debited, they receive a text message reminding them to check that they have enough money in their account so that the debit will go through.

The *Points Passerelle* scheme is supported by 36 of the Regional Banks to help and support people affected by a life crisis (unemployment, death of a loved one, divorce, etc.) so they can regain stability. The mechanism covers all available solutions, from how to apply for legal or social services to personal budget monitoring and loans, all aimed at opening up new horizons for socio-economically disadvantaged people. Since the creation of the first *Point Passerelle* in 1997, more than 100,000 people have received support. With the assistance of a network of 124 advisers spread across more than 80 dedicated locations, plus 840 volunteers (elected representatives and retired Crédit Agricole employees), 13,000 people received help this past year, 80% of whom managed to regain a steady economic footing. Also, in 2019, 23 Regional Banks ran budget management workshops in schools or through organisations such as local job centres, second-chance schools and workforce re-entry establishments. They were attended by 9,000 people.

At **LCL,** if a situation of proven or potential financial vulnerability is detected, the customer in question will receive a letter describing the advantages of the "LCL Initial" offer, which gives them access to a range of banking services that will help them manage their account. The national "LCL Parenthèse" unit also provides support in certain situations that are either complex or require coordination with organisations involved in the fight against over-indebtedness, such as *"Points Conseils Budget"*.

Aware of the importance of maintaining car insurance, particularly during such difficult times, **Pacifica** helps *Points Passerelle* applicants take a "break" from paying car insurance premiums. Meanwhile, in order to limit accidents and claims, **Crédit Agricole Assurances** shows customers how to take preventive action. This is rounded out by an offer of protective equipment and specific training solutions. Prevention advice is provided through several channels (contracts, workshops, local networks, among members at general meetings of the Regional Banks, etc.). Increased support for customers is provided on certain issues or for certain targets: free post-driving licence instruction courses for young drivers, special prices for protective equipment, verification of electrical installations, remote monitoring systems against theft or helplines for elderly people, support for customers who have experienced repeated incidents of the same nature, insurance offers including the provision of useful assistance services to protect them and their families in the event of death, dependence, disability, or for funerals. Lastly, in order to improve access to healthcare for people previously eligible for France's supplemental health insurance assistance or "ACS" *(aide au paiement de la complémentaire santé),* ACS and CMUC *(couverture maladie universelle complémentaire),* France's complementary universal health coverage, merged on 1 November 2019 to become the *complémentaire santé solidaire* (solidarity health supplement). Pacifica decided to continue participating in the scheme, which now offers a single, regulated level of cover.

Crédit Agricole, the financial partner of **eight out of every ten** farmers, actively supports sectors that experience exceptional crisis situations and offers various types of accommodations, including the deferral of all or part of their annual payments. The network of 2,011 agricultural advisers in the 39 Regional Banks advises local farmers on the best solution for their specific case, allowing them to get through difficult periods. The Agricultural Markets Departments of both Crédit Agricole and Pacifica have created a risk policy for farmers. Pacifica also supports farmers by offering insurance for the majority of crops (large-scale farming, vines, arboriculture) against a number of weather events (drought, hail, excess rainfall, floods, storms, frost, etc.). At 31 December 2019, Pacifica was managing 28,700 weather-related insurance policies (harvest insurance, hail insurance and **forage insurance**).

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Mutualist commitment to inclusive development	Number of vulnerable customers supported	16,834	16,024	18,514	20,000	LCL, CACF France and Regional Banks

Promoting and supporting entrepreneurship

Action plans and results

Regional Banks, which have been working with major networks that support **business creation** since 2003, continued their work to support business start-ups:

- leading financial backer of companies supported by Initiative France in 2018, with 5,738 loans totalling €409 million;
- in the business market: In 2018, 1,441 companies received a Crédit Agricole loan guaranteed by France Active representing an amount of €61 million in guaranteed bank loans;
- nearly 1,294 entrepreneurs funded through €17.8 million in credit lines granted by end-October 2019 for the current year;
- €300 million allocated to Crédit Agricole Régions Développement to assist mid-cap companies and SMEs;
- 426 start-up cafés, fun, informal meet-up events where anyone with an idea for a business can ask questions to various business start-up partners, such as accountants, lawyers, notaries, bank advisers, CCI and CMA representatives and support networks. The events are free of charge and open to all. In 2019, these cafés were held at 25 Regional Banks and attended by more than 3,200 people.

To complement our business start-up support programme, in May 2019, we launched the https://www.jesuisentrepreneur.fr/ platform. It offers step-by-step support so that entrepreneurs can prepare their projects with confidence. Entrepreneurs are provided with a variety of tools that, among other things, allow them to analyse the market, find the ideal location for their business, choose their legal status or file their articles of association.

Regional Banks have been providing access to **personal microcredit** since 2008, allowing people who are not eligible for credit to receive banking services and manage their budgets at the same time. A total of 1,935 personal loans have been made by the Regional Banks. These small loans, 50% guaranteed by Caisse des Dépôts et Consignations, are intended for people who do not have access to conventional credit. 75% of microcredits finance mobility projects (repair of a vehicle, driving licence, etc.) to help people return to work or stay in employment.

The **"Village by CA**" is a value-creating ecosystem and start-up incubator supporting projects with high potential. The first Village was created in Paris in 2014, and a further 33 Villages were operating by the end of 2019. Boasting an environment at the forefront of technology and operating in the heart of the French regions, the start-ups of each Village by CA operate in an open innovation ecosystem alongside a multitude of private and public partners. To date, 726 start-ups have received support. Some Crédit Agricole S.A. subsidiaries are a partner of Village by CA and play on the synergies in terms of innovation linked to their businesses. This is reflected in the acquisition of stakes in the capital of hosted start-ups in the Villages by CA. The Regional Banks also offer their customers the mutual shareholders passbook account *(Livret Sociétaire).* Savings collected from mutual shareholder customers go directly to finance companies less than five years old located in the areas where the Group operates. Its assets totalled €10.4 billion at end-2019.

Lastly, the Group wants to become the go-to bank for supporting innovative start-ups. For example, the *CA Innovation et Territoire* fund aims to invest in technology and/or innovative start-ups operating primarily in the Group's six strategic areas (energy and environment, housing, agriculture and food processing, health-ageing well, tourism and the sea). The CA Venture fund is dedicated to innovation that impacts the Group's business lines: Insurtech and Regtech. The Group also supports the activities of mid-cap companies through the €300-million CARD fund, which is managed by IDIA.

In 2019, **Crédit Agricole Consumer Finance** held the third edition of its Start & Pulse competition. The goal of the competition is to develop strong ties with innovation ecosystems in the Group's various markets. This global programme, launched in eight countries where CA Consumer Finance does business, generates innovative solutions for customers, partners and employees through dialogue, listening and jointly developing shared ideas. The competitions held in France and Italy were conducted in partnership with Les Villages by CA Paris and Milan.

Credibom, the Portuguese subsidiary of CA Consumer Finance, is also rolling out an innovative methodology and holding two-day boot camps for start-ups and Credibom employees. This collaborative work allows start-ups to develop and refine their projects before submitting them to the competition's final judging panel. Entrepreneurs also have the opportunity to receive advice, often for the first time, from financial-sector professionals, who in return gain insight into the world of start-ups and the solutions they can offer.

Since 2008, a number of employees at **Wafasalaf,** CA Consumer Finance's Moroccan subsidiary, have been spending some of their working hours supporting and mentoring young Moroccans making their way through school. Every year, these employees provide more than 1,000 hours of coaching and out-of-school support to high school and college students, in partnership with the association Injaz Al Maghrib. Established in 2007, this recognised association encourages the private sector to work with today's youth to help create a new generation of entrepreneurs. The goal is to give young people the knowledge and tools they need to boost their employability and develop self-confidence and a spirit of initiative, as well as support them in the creation of their projects. Ultimately, the aim is to help them find their place in a constantly changing world.

Refer to the glossary page 647 for the definition of the technical terms.

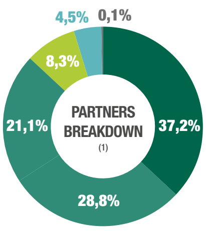
Key figures of the Grameen Crédit Agricole Foundation as at December 2019

ACTIVITY

39 COUNTRIES of Intervention

96 MILLIONS € Portfolio managed by the Foundation

- Sub-saharan Africa
- South and South-East Asia
- Eastern Europe and Central Asi
- Middle East and North Africa
- Western Europe
- Caribbean



92% FUNDING In local currency

45% PORTFOLIO In fragile countries(2)

SUPPORTED ORGANISATIONS

73 microfinance **INSTITUTIONS**

TYPE OF INSTITUTION(3)

11% LARGE SIZE INSTITUTIONS (TIER 1 : >$100M PORTFOLIO)
51% MEDIUM SIZE INSTITUTIONS (TIER 2 : $10-100M PORTFOLIO)
38% SMALL SIZE INSTITUTIONS (TIER 3 : <$10M PORTFOLIO)

12 social impact **COMPANIES**

LINES OF BUSINESS(4)
33% AGRIBUSINESS
33% FINANCIAL SERVICE
25% ESSENTIAL SERVICES
8% CULTURE & ÉDUCATION

SOCIAL IMPACT

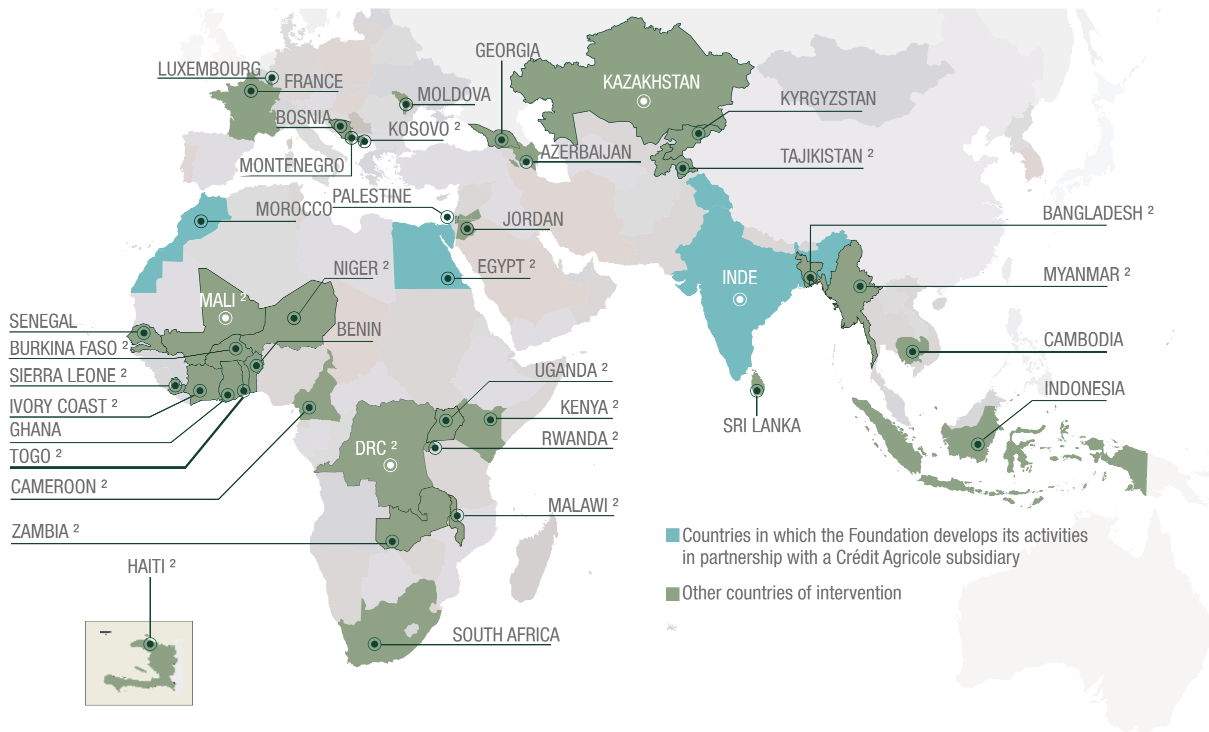
BENEFICIARIES of microfinance institution(5)

6 MILLION

81% FEMALE BENEFICIARIES
81% CLIENTS IN RURAL AREAS

(1) Portfolio breakdown by geographical area.
(2) Fragile countries according to the World Bank and OECD lists.
(3) Breakdown by number of institutions.
(4) Breakdown by number of social impact companies.
(5) Beneficiaries of microfinance institutions supported by the Foundation.

Countries in which the Grameen Crédit Agrciole Foundation operates



(2) Fragile countries according to the World Bank and OECD lists.

Refer to the glossary page 647 for the definition of the technical terms.

LCL is also a partner of France Active Garantie and holds 5% of its shares. In 2019, it financed 160 start-up projects, most of them from people looking for jobs, providing financing of more than €7 million. Having been a pioneer in France and introduced the innovative Avantage+ service designed to increase retailer visibility at the end of 2015, LCL expanded its service in 2019 by simplifying and modernising it to provide even more support to local retailers. The new service, LCL CityStore, continues to feature cashback offers for all individual customers to promote several thousand partner retailers across France, who are not required to become LCL customers. LCL is thereby demonstrating its willingness to support the local economy and strengthen the relationship between residents and their local shops over the long term.

Lastly, the new LCL SmartBusiness programme is designed to support business customers (SMEs, mid-caps, key accounts) with major changes. The programme recommends exclusive partners that can help companies accelerate their business through open innovation or start-ups. Two such partners are Early Metrics (a company for finding and rating start-ups) and Synintra (a digital platform for connecting companies with start-ups through calls for projects). LCL SmartBusiness offers business customers high value-added solutions by involving LCL in a process of strategic dialogue with its customers on technological, social and digital transformation issues.

Crédit Agricole's African entities, **Crédit du Maroc** and **Crédit Agricole Égypte,** are developing initiatives to support entrepreneurship in their countries. Thus, Crédit du Maroc, through its Foundation created in 2018, promotes entrepreneurship through several initiatives and partnerships with local associations. It provides financial support for women's entrepreneurship, youth entrepreneurship, the conversion of the informal sector and the rehabilitation of street vendors through its partnership with the association ESPOD, *"Espace Point de Départ"*. The Foundation is also committed to the social and societal economy of Morocco by creating a prize for social entrepreneurs. Crédit Agricole Égypte also takes part in programmes developed by the Central Bank of Egypt related to financial inclusion and access to banking services for all, as well as to promote SME financing. As part of these programmes, Crédit Agricole Égypte held its first hackathon during the RiseUp Summit start-up competition to develop innovative solutions aimed at digitising the SME supply chain.

Launched in 2015, **Fondation Crédit Agricole Solidarité et Développement,** a recognised charity, is focused on personal socio-economic autonomy. It supports the programmes of national partners, as well as complementary projects developed with the Regional Banks. Its four fields of action are social integration (educational success, budget education, digital inclusion, mobility, nutrition, etc.), economic and vocational integration (vocational training, job search and business creation assistance), the housing sector (access to housing, fight against poor housing and energy poverty, intergenerational housing), health and ageing well (acting against isolation and in favour of access to care and the prevention of risks). It has funded 84 charitable projects for a total of €2.23 million.

Promoting digital inclusion

The Group is also pursuing initiatives **focused on digital inclusion.** Making digital technology accessible to everyone and passing on the skills needed to turn these resources into a driver of social and economic integration are missions Crédit Agricole is undertaking through initiatives launched at the Regional Banks. These initiatives are based on the desire to share the tools and know-how of Crédit Agricole branch staff with as many people as possible (customers and non-customers alike).

To make it easier to access administrative procedures online, for instance, banking advisers at public bank branches within the Franche-Comté Regional Bank network work in conjunction with the Doubs prefecture to help users obtain vehicle registration cards or identity cards or file tax returns online. Other initiatives being implemented at Regional Banks include the new *"Espace Numérique Citoyen"* (citizens' digital space) in the Normandy Seine region and *"Ateliers Numériques"* (digital workshops) in Brie Picardie that offer people materials and hands-on support to help them with digital technology and promote digital inclusion, including in rural areas.

3.1.2. Support for new types of social impact companies

Policy

For companies in the **social and solidarity economy (SSE) sector,** the goal is to address **social challenges** such as social integration, housing, health, childcare and care for the elderly. Faced with the budgetary constraints of governments or local authorities, which are the main sources of such financing, these companies also need private funds in order to expand. At the same time, **new types of private-sector businesses** are emerging with a proclaimed social or environmental purpose (this is the case for many start-ups).

The Crédit Agricole Group aims to help these new companies establish or expand by offering both institutional investors and private individuals investment products that have a social or environmental impact. This goal is present in all Group businesses: asset management, insurance (particularly life insurance products) and investment funds. It is also reflected in the direct financing of projects with a social impact by the Group's existing Foundations, particularly the Fondation Grameen Crédit Agricole.

Accordingly, the Group has laid out four ambitious goals in its "Ambitions 2022" strategic plan:

- for Amundi: double SSE investment to €500 million;
- for Crédit Agricole Assurances: increase the promotion of its *"Contrat solidaire"* life insurance policy;
- for Crédit Agricole CIB: strengthen its leadership in arranging social bonds;
- for Regional Banks: create a support system for social impact start-ups in Villages by CA.

A fifth, complementary goal, led by the Grameen Crédit Agricole Microfinance Foundation, is to provide €200 million in support for the economic development of rural areas in emerging markets by 2023.

Action plans and results

In 2019 the **Grameen Crédit Agricole Microfinance Foundation** was once again **the driving force behind the Crédit Agricole Group's fight against poverty and its efforts to promote inclusive finance.** For the third consecutive year, its business grew exponentially with 46 financing applications approved by its Investment Committee. Assets totalling €96 million were provided to 73 microfinance institutions and social enterprises in 39 countries. Women's entrepreneurship and rural economic development are a key part of what the Foundation's does: 81% of customers of financed institutions are women and 81% live in rural areas[(1)].

The Foundation has strengthened its presence in Sub-Saharan Africa, which accounts for 37% of assets, followed by South and Southeast Asia with 29%. It is now involved in four new countries in Africa: Rwanda, Niger, Sierra Leone and South Africa. The Foundation also received a loan from the **European Investment Bank (EIB)** for an amount equivalent of €12 million in CFA francs as well as funding to develop a technical assistance programme to support the development of microfinance in West Africa.

(1) Figures as at 30/09/2019. Source: Quarterly reports of financed microfinance institutions.

Refer to the glossary page 647 for the definition of the technical terms.

The year also saw closer cooperation with Crédit Agricole's entities and Regional Banks. Already working closely with Crédit du Maroc and Crédit Agricole Égypte, the Foundation partnered with the **Crédit Agricole Corporate and Investment Bank (Crédit Agricole CIB)** in India in 2019 to assist and provide funding to Indian microfinance institutions that support the projects of people excluded from the traditional banking system.

The investment fund for **Inclusive Finance in Rural Areas (FIR), the Group's first microfinance fund for emerging countries,** also proved successful. In 2019, a total of 21 Regional Banks had invested almost €10 million in this fund alongside Predica and Amundi.

Another major success was the ***"Banquiers Solidaires"*** **(Solidarity Bankers)** skills volunteering programme, where Group employees can volunteer for assignments to provide technical assistance to organisations supported by the Foundation. Since the programme's launch in 2018, 13 assignments, each ranging from one to two weeks, have been carried out on specific themes. The Group's partners have greatly appreciated the expertise of its employees (risk, compliance, marketing, process digitization, etc.).

In 2020, the Foundation will continue to focus its activities on the three strategic pillars of the **2019-2022 Medium-Term Plan,** namely strengthening microfinance, developing rural economies and promoting social impact finance in the banking sector.

In 2019, **Amundi** continued to strengthen its social impact- and solidarity-based investment business in keeping with its goal of becoming the sector's top player. 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. With an increase of almost 20.2% in assets, Amundi's social impact management grew significantly in 2019. This growth was due to an increased interest on the part of individual investors, solidarity-based employee savings schemes, and institutional investors seeking meaningful investments.

SOCIAL IMPACT IN 2019

- €3.34 billion in assets, an increase of 20.2% over 2018.
- 39 social actors financed, seven of them new in 2019.
- 18 Finansol-certified products.
- Five investment themes: access to decent housing, access to recognised work, access to necessary healthcare, education and training, protection of the environment, and support for solidarity-based entrepreneurship.
- A dedicated website, https://amundi.oneheart.fr/ was launched in 2019.

To address issues surrounding unemployment, poor housing, difficulties accessing healthcare for dependants, as well as environmental issues, many savers want to make their investments meaningful, while keeping an eye on the returns on offer. As a result, **Crédit Agricole Assurances,** through its subsidiary **Predica,** is offering the *"contrat solidaire",* the first Finansol-certified social multi-vehicle life insurance policy. It marries savings and social good. Each year Predica reports to the policyholders about the social impact generated by the savings invested in the policy funds (number of jobs created or secured, number of people re-housed, number of healthcare beneficiaries, tonnes of waste recycled, number of microcredit beneficiaries abroad, etc.). In 2019, it conducted a new marketing drive for the policy with 11 pilot Regional Banks. At end-2019, a total of 24 Crédit Agricole Regional Banks were selling the policy. The socially responsible savings range of *"L'Autre épargne"* provides an option for customers looking for alternative investments. This is used to finance community projects and projects that contribute to the local economy by supporting non-profit associations through the donations generated by these products. *L'Autre épargne* is built around two Finansol-certified mutual funds that fund food banks *("banques alimentaires")* and *Habitat et Humanisme,* the Predica *Contrat solidaire* life insurance product, and a variant of the mutual shareholders' passbook account with an option for customers to earn Tookets, Crédit Agricole's charity reward currency.

LCL offers ethical, targeted and socials funds in a range called *"Investir Autrement"* (Invest Differently). The range includes its Hymnos ethical fund, which excludes companies that harm people or society, its *Solidarité Habitat et Humanisme* community development and sharing fund, and *Solidarité CCFD Terres Solidaires,* which it pioneered in the early 1990s. Dividends of 25% and 50% (plus fee rebates) are allocated to non-profit associations of the same name, one working on the integration of people who are poorly housed and the other on international aid.

Crédit Agricole CIB has been a global leader in **arranging social bonds.** It helped structure more than €3.7 billion in social bonds in 2019, representing a market share greater than 30% and even surpassing 40% on the European bond market (source: Dealogic). Crédit Agricole CIB is very proud to have helped with the inaugural issue of social bonds by issuers such as Caffil (€1 billion issued in February 2010), CaixaBank (€1 billion issued in August 2019) and Royal Bank of Scotland (€750 million issued in November 2019).

Non-financial performance indicators

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Mutualist commitment to inclusive development	Outstanding amount of the fund with social and solidarity impact *(in millions of euros)*	N/D	220	256	500	Amundi
	Financing made to unbanked populations *(in millions of euros)*[1]	34	38	54	200	Grameen Crédit Agricole Foundation and Group entities

(1) *Cumulative target over the 2019-2022 period.*

3.1.3. Community ties

Policy

In addition to being a major **partner, sponsor and patron,** Crédit Agricole is also France's leading bank for non-profit associations. In 2019, it allocated close to €50 million to thousands of local and national projects, mainly **focused on inclusion, culture and, more recently, the environment.** In addition to financial support in the form of grants, gifts, scholarships, bursaries, etc., the entities of the Crédit Agricole Group make donations in kind, volunteer their skills, and make their facilities and human resources available to communities throughout the country as well as abroad, especially in Italy. In France, two Foundations enable the Regional Banks to deepen their commitment by providing bursaries to supported community projects.

For the first time in 2019, Crédit Agricole S.A. provided support to two non-profit associations, ***"Viens Voir Mon Taf"*** and ***"Un Stage Et Après",*** whose goal is to find internships in companies for year 10 students in priority education areas (known by the French acronyms REP and REP+).

Action plans and results

For 40 years, **Fondation Crédit Agricole – Pays de France,** a recognised charity, has been committed to promoting cultural heritage alongside Crédit Agricole Regional Banks. Since 1979 it has been strongly convinced that heritage is a source of attractiveness for the territories. Recognised as a public utility, the Foundation supports local authorities, structures of general interest and all those who believe that preserving, restoring and enhancing a monument, a natural site or a place of memory contributes to the vitality of the local economic and social fabric. In 2019, it supported 44 projects totalling €1.651 million.

Recognised as a charity since 2014, the **Crédit Agricole Solidarité et Développement Foundation** promotes socio-economic autonomy in France so that everyone has the means throughout their lives to act, think and make decisions for themselves. In 2019, it supported 78 projects totalling €1.78 million. Since 2016, the Foundation has launched annual calls for health-themed projects. For the 2019 edition, the Crédit Agricole Solidarité et Développement Foundation allocated a budget of €250,000 to digital inclusion initiatives that promote access to healthcare for the most vulnerable populations.

In France, Crédit Agricole S.A. forges partnerships to boost Group support for its communities

In the **area of culture,** Crédit Agricole S.A. has partnered with the French Ministry of Culture for four consecutive years to support European Heritage Days. Crédit Agricole S.A. realises that heritage is a regional challenge and uses this sponsorship to echo the role played by the Regional Banks and the Crédit Agricole Pays de France Foundation in the regions. As a founding member of InPACT (a cultural fund aimed at developing artistic expression with communities with less cultural exposure), Crédit Agricole S.A. works alongside local authorities and associations to promote creative expression and community-based initiatives. Since its inception in 2012, approximately 150 artistic projects have been presented to audiences in culturally isolated areas. This corresponds to €700,000 committed since Crédit Agricole S.A. established the fund to help the most disadvantaged groups.

Crédit Agricole S.A. has supported the *Salon de Montrouge* contemporary art fair since moving its headquarters there in 2010. As a partner of the biennale of contemporary art devoted to young contemporary creation *(jeune création contemporaine),* it supports artists' residencies in the city and organises workshops for its employees.

Through the Group's projects, Crédit Agricole S.A. consistently works for the public good and supports programmes and projects for preserving biodiversity and supporting a just transition

In 2019, Crédit Agricole S.A. joined 16 other Group entities to become the official partner of the **Plastic Odyssey expedition,** whose goal is to curb plastic pollution in the ocean. This global awareness and action programme will be conducted from aboard an ambassador vessel that will set sail mid-2020 and focus on reducing and recycling plastic waste. Crédit Agricole's financial commitment will last for five years and total €1.2 million.

Under its three-year framework agreement with France's **National Museum of Natural History (MNHN),** Crédit Agricole S.A. will continue to support the MNHN's research programme on biodiversity in agriculture and natural site preservation. In 2019, the *Marinarium de Concarneau* and *Jardin des Plantes* received joint support from Crédit Agricole S.A., the CA Pays de France Foundation and the Regional Bank where they are located. Crédit Agricole S.A. is also a partner of ***"Rendez-vous au Jardin",*** a French Ministry of Culture initiative that promotes spaces for public gathering, cultural exchange and biodiversity to the general public. In Monaco, **CFM Indosuez Wealth Management** has signed the Energy Transition Pact and entered into a partnership with the Oceanographic Museum. Crédit Agricole S.A. has also become a sponsor of the Nicolas Hulot Foundation and Zero Waste initiative, alongside other Crédit Agricole S.A. entities. CA Assurances has provided €178,000 in support to the charity *Plantons Pour l'Avenir.* In Switzerland, the CA Indosuez Wealth Management Foundation, whose goal is to support projects that have an impact on local communities through environmental projects such as reforestation, agroforestry, water management, economic development and community education, continued its work in 2019.

Crédit Agricole S.A. also sponsors events **geared towards challenges facing the energy transition, such as Climate Finance Day,** an annual meeting organised by Europlace Finance, and the ***Le Temps Presse* Festival,** aimed at the general public to promote the UN's **Sustainable Development Goals.**

With regard to inclusion, Crédit Agricole S.A. supports associations working with people in need and is expanding its support of youth integration

It has provided support for *Dons Solidaires,* an organisation involved in recycling unused non-food items (toiletries, clothing, school supplies, etc.) destined for 650 charities working with the most disadvantaged people, for the last 11 years. In 2019, *Don Solidaires* distributed products worth €47 million to 750,000 people in need. In 2019, Crédit Agricole S.A. provided support to *Dons Solidaires* for a study into how sanitation insecurity can hinder professional and social integration. Crédit Agricole S.A. also works with people living on the fringes of society and since 2019 has supported the charity **Entourage,** which helps people who are either homeless or have no fixed address.

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. supports the charitable ventures of its employees and in 2019 set up a skills-based volunteer programme for employees

The *"Solidaires"* programme, created in 2012, supports employee involvement in good causes in France and abroad (local and international community projects, support for people with illnesses or disabilities, promotion of culture and education, and environmental protection). Crédit Agricole S.A. offers Group employees different types of commitment: volunteer missions undertaken in charities, collective one-day missions at a charity together with other Crédit Agricole S.A. employees or a consulting day in partnership with Pro Bono Lab. Established at the end of 2013, the *Solidaires* Committee is a forum for cross-functional co-construction bringing together nine entities running programmes encouraging employee commitment to charities. In 2019, **Get Involved Days** were organised for Crédit Agricole S.A. employees, enabling them to get information, learn how to take action, meet up with others and generally get involved. The 2019 edition was devoted to the fight against plastic pollution.

A humanitarian leave programme was set up in conjunction with the **Grameen Crédit Agricole Foundation** whereby Group employees were offered the opportunity to take on technical assistance assignments on behalf of the Foundation's partners. Most of the leave is taken for employees to volunteer their skills. Altogether, seven assignments were carried out in 2019.

In 2019, Crédit Agricole S.A. continued its partnership with *Stop Illettrisme,* which made it possible for 70 Group employees to continue sponsoring 23 employees of cleaning service providers SAMSIC and GSF at the Evergreen, Saint-Quentin-en-Yvelines and Montparnasse facilities who are pursuing a degree course to learn French. Crédit Agricole S.A. has a programme called ***"Coups de Pouce"*** (Helping Hand) to support employees involved in charity work. Any employee at one of the eight entities in 2019 (Amundi, CACEIS, CA Immobilier, Crédit Agricole Assurances, Crédit Agricole Payment Services, CA CIB, the Crédit Agricole S.A. corporate entity and LCL) may submit a charitable project to a panel in order to receive a grant. In 2019, a total of 110 charities received financial support. All were invited to a day organised by Crédit Agricole S.A. to increase their know-how and share information about their practices and experience.

Lastly, **in the field of sports,** Crédit Agricole is especially committed to people and society through its programme ***Sport Comme École de la Vie*** (sport as a school of life). Sport is more than just a hobby; it is one of the driving forces behind living together and one of the last arenas where all French people in all their diversity can be together. Sport is also a school where each person can realise their potential, grow and move forward in life. At Crédit Agricole, we believe that the values that we learn from sport can help us throughout our lives and make us stronger, which is why we support 27 sports across the country, including football and judo at the national level. Every season, we support several thousand clubs and 6,000 employees and Directors who volunteer in regional sports. Every Crédit Agricole Regional Bank works with sports associations to set up local initiatives to promote the educational value of sport. *Sport Comme École de la Vie,* led by renowned ambassador Teddy Riner, unites all of Crédit Agricole's national and regional sports partnerships around a common goal.

2019 KEY FIGURES

Coups de pouce solidaires

In 2019, the *Coups de Pouce Solidaires* programme consisted of:

- 8 participating entities (Crédit Agricole S.A., Crédit Agricole CIB, Crédit Agricole Assurances, LCL, CACEIS, Amundi, CA Immobilier, and Crédit Agricole Payment Services);
- 110 supported associations;
- €264,100 in financial support.

Employee involvement in "à la carte" forms of commitment by employees

- *Stop Illettrisme:* 70 employees involved in sponsoring 23 employees of two cleaning services providers (GSF and SAMSIC) at three Group locations in the Paris region: Montrouge, Paris- Montparnasse and Saint-Quentin-en-Yvelines.

Involvement of Crédit Agricole S.A. employees in France and abroad to reduce plastic pollution in relation to the Commitment Days from 26 June to 3 July 2019 resulting in:

- support for eight associations;
- €47,580 in donations;
- 769 kg of collected goods;
- 1,115 employees involved in 10 countries.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Mutualist commitment to inclusive development	Number of year 10 students from priority education areas hosted (Integration Week)	N/D	N/D	578	750	Crédit Agricole Group

Refer to the glossary page 647 for the definition of the technical terms.

3.2 GREEN FINANCE: ONE OF THE GROUP'S KEYS TO GROWTH

Introduction

Climate change is undeniable and the scientific experts participating in the Intergovernmental Panel on Climate Change (IPCC), with 195 countries represented, are unanimous: the planet's climate is getting warmer as a result of greenhouse gas (GHG) emissions related to human activities. The signs are already widely noticeable, with an increase of around 1°C between the last decade and the pre-industrial years, with **2015 to 2019 expected to be the five warmest years on record.** According to the IPCC, this warming trend will continue, increasing by 4°C by 2100[1].

The pace of global warming is accelerating and the **likely impacts on ecosystems are considerable.** They include increased frequency and intensity of extreme weather events; a rise in sea levels resulting in major migrations of coastal populations; an acceleration in the decline of biodiversity, which is already severely impacted by pollution and deforestation; and threats to food security and the drinking water supply. This is all caused by the increase in CO_2 emissions due to fossil fuel use (particularly for power generation and transport) and land-use changes, as well as emissions from methane and nitrous oxide, largely from agriculture. Our entire economy, which is too carbon-intensive, and the ways we consume are being called into question.

Today, **more than 80% of Europeans consider global warming to be a very serious problem**[2]**.** Around the world, civil society is mobilising around the issue, especially younger generations, who are rightly worried about their future and are calling out governments for their failure to take action.

The Paris Climate Agreement, signed in 2015 at the end of COP 21, commits signatories to limiting global warming to below 2°C by 2100, in line with the IPCC's most ambitious scenario. The Agreement also aims to "make finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development". The contribution of financial institutions is obviously a crucial factor in this transition, and **the Crédit Agricole Group,** the world's leading cooperative bank and number-one financier of the French economy, is **a full participant.**

The Group has long been committed to this issue (it was a signatory to the Equator Principles in 2003 and the Climate Principles in 2008 and was a co-founding member of the Green Bond Principles). In a further reflection of its determination to combat climate change, in 2019 the Group adopted a **Climate Strategy** and made it a key part of its "Ambitions 2022" Group strategic plan. The Group's strategy, which is aligned with the Paris Agreement, aims to gradually reallocate its loan and investment portfolios and assets under management to work towards the energy transition. The Group has also signed the **Principles for Responsible Banking** and joined the **United Nations Collective Commitment to Climate Action,** again confirming the alignment of its climate strategy with the United Nations Sustainable Development Goals and the 2015 Paris Agreement.

As the world leader in green bonds and a pioneer in climate finance for almost ten years, the Crédit Agricole Group is more determined than ever to work towards the transition to a low-carbon economy. Specifically, we have estimated our financing portfolio's carbon footprint since 2011 and implemented sector-specific policies that include the refusal to finance Arctic offshore projects since 2012 and ended our financing of projects related to coal mines and coal-fired power plants in 2015 and 2016.

Chapter 3.2 describes the Group's climate strategy and how it is being carried out, following **the recommendations of the TCFD**[3]**.** The chapter is therefore divided into four sections – Governance, Strategy, Climate Risk Management, and Metrics and Targets – and addresses the TCFD's 11 recommendations in a comprehensive way that is supported by data.

TCFD Section	Core elements required by TCFD	Crédit Agricole's comments
Governance	Corporate governance on risks and opportunities linked to Climate changes	To manage its climate strategy, the Group has introduced a dedicated system of governance structured around Steering Committee (comprised of 12 senior executives), a Scientific Committee (comprised of 10 renowned scientists) and a Monitoring Committee (comprised of the Group's green finance business lines). An independent third party certifies the implementation of the climate strategy. *Governance is presented page 85 of this Report.*
Strategy	Short and medium term impacts and risks and opportunities linked to Climate changes for business, strategy and financial planning of the Company	In the context of the Group's climate strategy, it plans to: ▪ completely dives from thermal coal by 2030 for EU and OECD countries and 2040 for the rest of the world; ▪ gradually reallocate its financing and investment portfolios towards an energy transition in keeping with the energy mix of the Sustainable Development Scenario of the IEA; ▪ put in place a toolbox comprised of sectorial policies, jurisprudence created based on the operational implementation of its Climate strategy, transparent climactic scenarios and a transition rating for companies that are clients of the Group. This rating will serve as a dialogue base to better accompany them in the conversion of their economic models to help them face energetic and climate challenges. *Our strategy is detailed throughout pages 40 and 84 to 86 of this Report.*
Climate Risk Management	The process implemented to identify, estimate and monitor Climate risk	The group identifies, evaluates and pilots climate risks through four scenarios. Each scenario leads to a climate trajectory and a price of carbon. For this, the Group uses the innovative P9XCA methodology, which allows it to calculate without multiple counting, the order of magnitude of the emissions financed and determine a sectorial and geographical cartography of these emissions. *Climate Risk Management is presented throughout pages 86 to 91 of this Report.*
Metrics and Targets	Metrics and targets used to measure and manage risks and opportunities linked to climate change	Since 2011, the Group has measured greenhouse gas (GHG) emissions linked to all of its investments and financing. The Bank also publishes for the first time, in accordance with its Climate strategy, its coal exposure for its financing and investment portfolios. Furthermore, each entity has set itself ambitious targets, taken from the commitments of the Group Project in order to make green finance one of the Groups keys to growth. *The key metrics and targets are presented throughout pages 84 to 95 of this Report.*

(1) Fifth IPCC Assessment Report published in 2014.
(2) Special Eurobarometer 490 – European Commission report – April 2019.
(3) Task Force on Climate-Related Financial Disclosures.

Refer to the glossary page 647 for the definition of the technical terms.

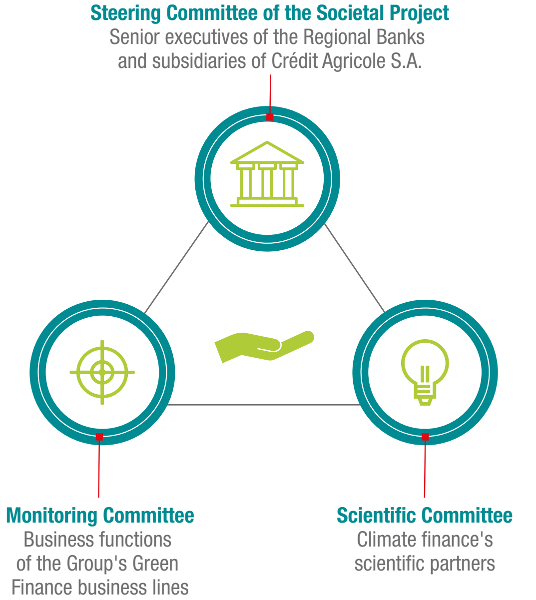
3.2.1. Governance

To **manage its climate strategy,** the Group has introduced a dedicated system of governance aimed at implementing the societal pillar of the Ambitions 2022 plan and ensuring that the economic development of the regions where the Group operates is reconciled with where the climate is headed.

The **Societal Project Steering Committee** is the highest-ranking body at the Group level and is tasked primarily with making sure that the Group's climate commitments are followed through. The Committee is composed of 12 members, half of them Crédit Agricole S.A. Chief Executive Officers, and the other half Directors of the Regional Banks, reflecting the involvement of the Group's most senior executives in implementing its climate strategy. The Committee also draws on work carried out by two operational bodies:

- the **Scientific Committee,** which comprises recognised external partners and is tasked with conducting the scientific work needed to guide and implement the climate strategy. It informs climate-related decisions by the Social Project Committee;
- the **Monitoring Committee,** which brings together the entities' expertise related to the various business areas. Depending on the topics under discussion, the Committee may be joined by the Risk, Finance and Compliance Departments. Its goal is to implement the Climate Strategy within the various entities.

A governance mechanism



To meet its responsible investment goals, **Amundi** has established a three-pronged ESG system: the ESG Strategic Committee, which defines and approves Amundi's ESG policy and strategic objectives; the ESG Ratings Committee, which defines and approves the ESG rating; and the ESG Voting Committee, which examines and approves Amundi's commitments and exercise of voting rights, and ensures the way it votes is consistent with its key ESG commitments. There is also a Social Impact Committee, which covers strategies for investing in unlisted companies based on social and community issues.

The **Crédit Agricole Assurances** group's Board of Directors, which has nine members, defines and approves all of the company's strategic decisions, especially those related to ESG and climate that may affect company performance. The Investment Department works for most of the Group's insurance companies. Together with the companies, it defines their investment strategies, which take ESG/climate issues into account. It is then responsible for implementing these strategies. As part of the implementation process, the department manages relations with all financial service providers (asset management companies, corporate and investment banks, etc.) on behalf of the insurance companies.

At **Crédit Agricole CIB,** an *ad hoc* committee, the Committee for Assessing Transactions that Present an Environmental or Social Risk (CERES), chaired by the head of compliance, acts as the umbrella committee of the system for assessing and managing environmental and social risks related to business activities. Among other things, this Committee issues recommendations to the Loan Committee in advance regarding sensitive customers in terms of CSR ratings. It also issues recommendations on any transactions it believes should be closely monitored for environmental or social reasons.

3.2.2. Strategy

The Crédit Agricole Group has identified climate change risks and opportunities for each of its business lines and entities. These form the basis of its climate strategy.

Climate strategy

Aware of the complex and ambitious nature of this commitment, conscious of the structure and unique identity of a multi-business, unified and decentralised Group such as ours, and cognisant of the vast amount of work that remains to be done to set our business activities on a path towards an ecological transition, we are now coming together collectively, across our various business lines, to create the conditions for this climate strategy to succeed.

These conditions are predicated on making commitments and implementing tools and rules capable of addressing the climate challenge. Innovative governance and revised guidelines (sector-focused policies) will enable us to achieve a successful transition, both for the Group and for our customers.

Incorporating energy transition challenges into customer relationships

Given the climate emergency, we are more convinced than ever that our role as a major economic player is to support all our customers on the path to transition. We believe it is crucial to prepare businesses to mitigate the effects of climate change (resilience and adaptation) and that our role is to support to businesses on this path. To fulfil this role, we are implementing the following:

- transition ratings, which will serve as a tool for both dialogue and customer support. They will measure how committed businesses are and their ability to adapt their business models to the challenges of the energy transition and the fight against climate change. The rating will be added to the existing financial rating and provide a better-rounded picture of the business case. The methodology of these ratings will be determined in 2020 based on the combined expertise of Crédit Agricole CIB and Amundi.
- support for innovative environmental start-ups and SMEs, such as the proprietary €200 million investment fund dedicated to energy, agricultural and agri-food transitions;
- a range of green products for corporate clients and retail customers.

The gradual reallocation of our loan and investment portfolios and assets under management to align with the Paris Agreement

The Crédit Agricole Group aims to effectively manage the risks and opportunities presented by climate change, in particular by gradually reallocating its loans, investments and assets under management to work towards the energy transition.

This reallocation will parallel changes in the global energy mix, as forecast by external scenarios (in particular the EIA's Sustainable Development Scenario, the Climate Analytics Report, and Science Based Targets) adopted by the Scientific Committee and will include:

- **a stronger commitment to financing the energy transition:**
  - finance one in three renewable energy projects in France, with the goal of consolidating our leadership position in the French market and becoming a major European player in the sector,
  - allocate a budget of €300 million to develop environmental transition projects and provide loans to green companies to build the assets underlying green bonds,
  - double the size of the green loan portfolio to €13 billion by 2022 (CACIB);
- **promoting sustainable investment policies:**
  - apply the ESG policy to 100% of Amundi's actively managed open funds and to all voting decisions in 2021, and expand ESG criteria to cover Crédit Agricole Assurances' new investments and financing starting in 2020,
  - double green investment portfolios to €12 billion for institutional clients, and triple those of the Retail offer to €10 billion,
  - allocate €6 billion for Green, Social & Sustainability Bonds in the Group liquidity portfolio;
- **planning a total divestment of thermal coal in accordance with a timetable aligned with the Paris Agreement:**
  - the exposure of our portfolios to the coal industry will be in line with a full-fledged coal phase-out by 2030 for EU and OECD countries, 2040 for the rest of the world. As part of our commitment to transparency, we will disclose the thermal coal exposure of our loan/investment portfolios on an annual basis, from the end of 2019 onwards,
  - as part of the creation of the transition rating, we will ask companies to provide us with a plan by 2021 detailing the phasing out of their coal-sector mining and production assets, in accordance with the 2030/2040 timetable (depending on where these assets are located). This plan will play a major role in determining the transition rating,
  - as of 2019, Crédit Agricole will no longer develop business relations with companies generating more than 25% of their revenue from the thermal coal sector (either mining coal or coal power generation). Companies generating more than 25% of revenue from coal and that have a lower transition rating will only be granted loans dedicated to renewable energy or GHG reduction projects,
  - the Group undertakes to stop working with companies anywhere in the value chain currently developing or planning to develop new ways to use thermal coal (mining, production, utilities, and transport infrastructure),
  - companies that fail to take up this initiative will be automatically placed on a "transition watch list" and be subject to the reduction or even freezing of our financial support.

Lastly, sector-focused policies are being reviewed one by one on a regular basis, based on the Scientific Committee's research and recommendations.

Identifying climate risks

The Group's **climate-related risks** are as follows:

- the cost of the **physical impact** of climate-related disasters. Physical risks are risks resulting from damage caused directly by weather and climate events or indirectly by consequences not linked to extreme events ;
- **transition risks:** transition risks are risks resulting from the effects of implementing a low-carbon economic model. These include risks related to adverse changes in commodity prices in goods-producing sectors and exporting countries, changes in energy markets, tightening of or compliance with environmental standards, technological risks, and reputational risk associated with the financing of certain activities.

In **property and casualty insurance, climate-related risks** are analysed based on the location of the insured property. Location is crucial for establishing a common basis for pricing insurance products for individuals, businesses or farmers. As part of COP 21, the French Insurance Federation published a study coordinated by Jean Jouzel entitled *Changements climatiques et assurance à l'horizon 2040* (Climate Change and the Insurance Industry by 2040). The study, based on a socio-economic projection and a climate forecast (using the IPCC's RCP 8.5 scenario), showed a 90% increase in constant euros in the total cost of damage related to drought, flooding, marine submersion and wind between 2015 and 2040, compared to the period from 1988 to 2013, with 30% of that increase related to climate change, representing an additional cost to the industry of €13 billion by 2040. A second explanatory factor was the increase in insured values (43%) and their concentration in areas most at risk (18%).

Action plans and results

Firstly, **as an insurer,** physical risks are associated with the property and casualty insurance business. Within **Crédit Agricole Assurances,** the leading property and casualty insurance group, Pacifica is exposed to physical risks related to climate conditions by virtue of being an insurance company. These risks may relate to buildings (residential, commercial or farm), vehicles or crops. The weight of these climate events in the total claims cost varies from one policy to another. While it is 100% for crop, forage or forest storm insurance policies, it nevertheless represents more than a third of the claim cost for policies such as home, car, or agricultural or professional multi-risk insurance. Conversely, third-party liability policies are only slightly impacted. In 2018, for example, the weight of climate-related claims was estimated at €246 million.

Crédit Agricole Assurances currently has the ability to respond to physical risk in its property and casualty insurance business. Firstly, this involves promoting a proactive policy of prevention and protection with policyholders. The Group promotes measures designed to reduce the frequency or intensity of climate events by including them in the rate for a "climate" policy, especially for crop insurance. Installing irrigation or hail netting, for instance, reduces the exposure to risk and, by extension, the insurance premium. This is also reflected in how offers are designed, with cover that protects policyholders against different types of events. For example, the types of weather events that are taken into account for crop insurance include: freezing/cold snaps/low temperatures, hail, storms, strong winds, sandstorms, drought/heat stress/high temperatures, sunburn, lack of sunlight, flooding, excess water, heavy rain/torrential rain, excessive humidity, heavy snow, and frost. For property owned by private individuals or businesses, buildings and cars are also covered by a flooding and a claim can be paid even before a natural disaster declaration has been announced. Rates for climate insurance are based on actuarial models that incorporate historical data as well as predictive factors. Projections are short term, since rates are readjusted annually for the portfolio and for new business. Pacifica's climate risks are covered by both a robust reinsurance programme and equity funds that are Solvency II-compliant. This is why actuarial models, particularly for climate products, are also challenged (in how they are set up and through stress tests) and are approved by reinsurers, international specialists and stakeholders directly affected by such risks.

Refer to the glossary page 647 for the definition of the technical terms.

Secondly, **as an investor, Crédit Agricole Assurances** is subject to physical risk that is largely geographical and based on the location of its investments. Those geographical regions may be exposed to weather-related events whose occurrence, duration and severity could increase with climate change. Crédit Agricole Assurances' investments are mainly concentrated in Europe and primarily in France, in areas that are not typically exposed to natural disasters and are therefore generally considered to be the least vulnerable to climate change at the global level. The analysis of so-called "physical" risks covers part of the asset portfolio, specifically real estate (retail and office space) and energy infrastructure located primarily in France. Three types of natural hazards have been identified for the office property portfolio, which is mostly concentrated in Paris (96%): flooding, risks related to the old quarries on top of which Paris is built and the dissolution of anteludian gypsum under the city. In addition, Paris is located in a level 1 seismic hazard zone (very low risk according to French regulatory zoning). The risks identified in the risk prevention plan for real estate holdings in Lyon (4%) are natural hazards such as the flooding of the Rhône and Saône rivers, risk related to clay soil (low risk) and technological risk. Lyon is located in a low-risk level 2 seismic hazard zone. With regard to infrastructure assets, most equipment, especially wind turbines, is designed to last an average of 40 years. The main risks to offshore wind assets are the marine environment and faster wear and tear due to the environment being affected by bad weather (high winds, soil structure that could lead to collapse, etc.). Analysing potential risks helps the Group avoid locating these types of assets in "high-risk" areas.

Climate scenarios

Policy

In accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), the Group used scenarios in 2019 to assess sensitivity to climate risks. The **four tested scenarios** differ in terms of the scale of the mitigation measures implemented and how they are phased. These scenarios distinguish three time horizons: short term (before 2020); medium term (from 2020 to 2030) and long term (after 2030). Each scenario resulted in a **climate trajectory** and **carbon price level** that appears consistent with the scope of the mitigation measures. The potential impact on the profitability of CIB's corporate clients was then investigated for both physical and transition climate risk.

Regarding **physical risk,** the average potential impact on a company's added value was considered to directly reflect the impact of global warming on global GDP as it is generally estimated (without taking into account, at this stage, the different impacts according to sector and country).

For **transition risk,** a company's potential vulnerability was assessed based on the emissions attributed to the economic players in the sectors and countries defined in P9XCA (in the "accounting by issue" version) and correlated with their added value. Valued at the carbon price used for each scenario, these emissions make it possible to provide an initial economic assessment of the carbon challenge for each macro-sector and country. Based on several studies concluding that a controlled energy transition would not negatively affect growth, it was believed that the carbon challenge would impact companies differently depending on their ability to anticipate the risk and therefore the rate at which they were able to implement measures to adapt to it.

These calculations are necessarily approximate but make it possible to understand the orders of magnitude and compare potential impacts on sectors and countries depending on the scenarios and time scales used.

The calculations show the transition risk in the abrupt climate change scenario as the main medium-term risk, while emphasising the strong increase in the physical climate risk over time, particularly in the scenario involving no new mitigation measures. These calculations thus provide a first macroeconomic framework for climate risks by highlighting the main risk areas (sectors and countries) according to the scenarios and time horizons considered. For the medium-term transition risk, identified as the main potential risk, a complementary micro-economic approach has been developed to seek to differentiate it at the level of individual counterparties.

Action plans and results

For financial players, **climate transition risk** mainly stems from uncertainty about changes in the profitability of their investments and in their customers' business models arising from changes in the economic environment brought about by initiatives against global warming. An OECD study published in May 2017, "Investing in Climate, Investing in Growth", concluded that a controlled energy transition would be favourable to the economic growth of the G20 countries, backing up the conclusions of a study by the French Environment and Energy Management Agency (ADEME) in 2016 ("A 100% renewable electricity mix? Analysis and optimisation") for France. It would seem, therefore, that the impact of the energy transition will not necessarily be negative for economic agents. Rather, it will be important to be able to identify the winners and the losers in this major transformation. The potential impact of the energy transition on the financial performance of a company would therefore seem to depend on both how sensitive the company would potentially be to the transition (due to its business sector and geographical location) and its ability to manage the transition (level of anticipation and strategy).

An economic agent's **potential sensitivity to transition** depends on how much pressure its operating environment places on it independent of the measures it puts in place. It is a measure of how positive or negative the potential impact of the energy transition will be on the economic agent and can be looked at as a combination of two factors: the extent to which the challenges will affect the sector, based on the sector's carbon intensity, and the importance the country in question has placed on reducing greenhouse gas emissions. Its ability to manage the transition will determine whether or not the economic agent has the right strategy and has taken the right measures to enable it to gain from the energy transition. It seems to us that this level of "maturity" should be assessed relative to the business sector, across all geographical locations. A medium-term transition risk index has therefore been calculated since 2017 for **Crédit Agricole CIB's** corporate customer groups using a combination of three factors:

- the extent to which the issues will impact financing in the sector, as calculated by the P9XCA methodology in the "by issue" version;
- the importance the country places on reducing greenhouse gas emissions within the framework of international negotiations, such as the Intended Nationally Determined Contributions (INDC);
- the maturity of the customer when faced with climate challenges and its ability to adapt, as evaluated by a non-financial agency or estimated by geographic average.

For each customer group, **the transition risk index** is calculated by adding these three factors together. The index is positive when the counterpart demonstrates above-average preparedness and is negative if it does not. The more the customer stands out from its peers, the more the sector is considered to be at risk, and the more the country has committed to a rapid energy transition, the higher the absolute value of the index. Thus, an agent in the Energy or Transport sector in a country committed to significantly lowering emissions will have more to gain or lose than a player in a sector that is less at risk and in a country with lower greenhouse gas reduction demands. The extent to which this agent will be affected will depend on its ability to adapt its strategy and business model to its new situation. The transition risk index complements sector-focused policies by making it possible to identify customers for which additional analyses appear necessary in view of their exposure to transition risk and management of this risk. This approach applies to all sectors and all countries.

With regard to **physical risk** (managed by **Crédit Agricole Assurances'** property and casualty insurance company), the risks to the portfolio and new business must be assessed in order to be able to handle the claims to be paid directly to policyholders in a given year. Premiums are reassessed annually for the following year based on expected changes in claim frequency and average cost. For climate-related claims, these models are produced by looking at the frequency and average cost of claims in previous years adjusted for an acceleration of anticipated events. Crédit Agricole Assurances, through its subsidiary Pacifica, must be able to compensate a large number of policyholders following a climate event, and consequently puts itself in the business-as-usual emissions scenario, which is the most pessimistic scenario.

Because of its investment business, Crédit Agricole Assurances is mainly subject to transition risk arising from the adjustments issuing companies need to make for their transitions to a green economy, which impacts the business model for some investments and could therefore have an adverse effect on their value. Failure to make such adjustments could result in the cessation or regulatory penalisation of activities deemed too polluting or emitting too many greenhouse gases, which could lead to the depreciation of the related assets. Consequently, Crédit Agricole Assurances continues to invest in green assets, and at end-June 2019 invested €3.9 billion in green bonds which included €847 million in green sovereign bonds issued by the French government in January 2017. It also continues to invest in renewable energy projects: partnerships with ENGIE and Total Direct in onshore wind and solar power represent almost 2 GW in installed capacity (10% of the renewable energy capacity installed in France).

A policy to improve the energy performance of held real estate assets (which has led to certification) has also been implemented. At end-December 2018, environmental certifications had been awarded to office properties worth a total of €3.5 billion.

Turning the energy transition into an opportunity

Policy

Crédit Agricole has stepped up its commitment to finance the energy transition by focusing on the following three objectives:

- finance one in three renewable energy projects in France, with the goal of consolidating its leadership position in the French market and becoming a major European player in the sector;
- allocate a budget of €300 million to develop environmental transition projects and provide loans to green companies to build the assets underlying green bonds;
- double the size of the green loan portfolio to €13 billion by 2022 (CACIB).

To support its goals in France, Crédit Agricole created an **Energy and Environment Expert Group** in June 2018. It brings together all Group entities with the aim of building expertise related to the energy and ecological transition. The Expert Group's network of contacts allows it to work closely with customers on these issues. It is run by **Unifergie,** Crédit Agricole's expert subsidiary and leader in renewable energy financing.

Action plans and results

Crédit Agricole Leasing & Factoring (CAL&F), through its subsidiary **Unifergie,** is an expert in funding energy- and environment-related projects. Unifergie finances projects for farmers, corporates and local authorities, stakeholders in the energy transition, in several areas: renewable energy (biogas, biomass, wind, photovoltaic, etc.), energy efficiency (cogeneration, public lighting, building rehabilitation, district heating, energy equipment), environment (waste, water), land use (public real estate, infrastructure, telecommunication networks). CAL&F regularly partners with other Group entities (mainly Regional Banks, LCL and Crédit Agricole CIB) to finance a range of projects in these sectors.

With the support of Group banks, at 31 December 2019, Unifergie had financed 35 renewable energy projects totalling €813 million, representing an equivalent of 1,873 megawatts (MW). The cumulative power financed by CAL&F at end-December 2019 stood at 7,384 MW.

Crédit Agricole Assurances also invests in renewable energy, in particular energy infrastructure projects located primarily in France. Thanks to its partnerships with energy specialists, Crédit Agricole Assurances was the leading institutional investor in the energy transition in France in 2019. Indeed, Crédit Agricole Assurances has established, since 2013, a first partnership with ENGIE in the field of onshore wind power. In 2017, it formed a second partnership, this time with Quadran, which was acquired by Direct Énergie, which was in turn acquired by Total in 2019. At end-2018, the partnerships with ENGIE and Direct Énergie represented capital commitments of €1.4 billion for Crédit Agricole Assurances. The continuation of these partnerships should make it possible to increase production capacity to more than 2 GW by 2020. Crédit Agricole Assurances also has an asset dedicated to cogeneration: in 2016, CAA acquired a majority share of a vehicle dedicated to gas cogeneration assets located in France (nearly 17% of the installations), operated by Dalkia, the European leader in energy services and decentralised energy production. In 2017, CAA invested in assets mainly comprising heating and cooling networks. This operation allows CAA to position itself in the urban heating system market (CAA's penetration rate on the heating market is 7% in France). At end-2018, assets dedicated to cogeneration represented commitments of €250 million. Accordingly, at end-2019, more than €800 million was invested in energy transition programmes (including wind and solar power, cogeneration, and heating and cooling networks). Lastly, in December 2019 Crédit Agricole Assurances, together with ENGIE and Mirova, acquired EDP's Portuguese hydroelectric portfolio. The resulting consortium won the bid launched by EDP to acquire Portugal's second largest hydroelectric portfolio, which has a hydropower generation capacity of 1.7 GW, for an enterprise value and consideration of €2.2 billion. This transaction in Portugal further strengthens Crédit Agricole Assurances' commitment to the energy transition in Europe, which is fully integrated into the Group's climate strategy and involves working with partners recognised for their experience in this area.

At a time when climate change poses a major risk in the medium and long term, in 2019 **Amundi** continued its commitment to the energy transition and a low-carbon economy. Fund holdings supporting the energy transition and green growth amounted to €12.3 billion at 31 December 2019, up 50%. Amundi offers turnkey investment solutions accessible in open and tailor-made funds through dedicated mandates and funds. These solutions are part of a range of financial innovations – low-carbon index solutions, green bond funds, thematic funds, joint management companies with EDF, etc. – in a series of actions that includes the strategic partnership formed with the European Investment Bank (EIB) and participation in the Executive Committee of the Green Bond Principles, all aimed at getting investors involved in the transition towards a low-carbon economy.

Refer to the glossary page 647 for the definition of the technical terms.

As part of its range of climate solutions, Amundi offers a range of thematic funds dedicated to financing the energy transition. The Amundi Valeurs Durables and Amundi Equity Green Impact funds, which are targeted to international clients, are invested in shares of European companies that generate at least 20% of their revenue from the development of green technologies. They take Amundi's ESG criteria into consideration and exclude companies involved in fossil fuel and nuclear power generation. For investors seeking bond products that contribute to the financing of the energy and ecological transition, Amundi offers funds invested in green bonds. At 31 December 2019, these funds totalled €2.5 billion.

In 2016, Amundi entered into a partnership with EDF as part of the energy transition. Known as "Amundi Transition Énergétique" (ATE), the goal of this partnership is to offer institutional investors managed funds in the fields of energy infrastructure and B2B energy efficiency. Amundi Transition Énergétique invests in real assets related to renewable energy production (particularly wind and solar power) and the improvement of energy efficiency (cogeneration, district heating, etc.). The performance of these assets is not correlated with changes in financial markets.

The Crédit Agricole Group's multi-segment real estate specialist, Crédit Agricole Immobilier, advises its customers on how to create value throughout their real estate development projects. It makes its full range of expertise available to individuals (residential development, property management, management of the Square Habitat network of real estate agencies), companies (operational real estate, commercial property development, property management) and local authorities (development, urban planning). The energy policy that has been implemented for many years applies to a building's design and construction phase as well as the operating phase. It is further supported by certifications (ISO 5001, HQE, HQE Exploitation, BREEAM, BREEAM in Use, BBCA) awarded to campuses in the Paris region as well as Regional Bank buildings (headquarters or Village by CA facilities) in Aquitaine, Franche-Comté, Des Savoies, La Réunion, and so on. As a property developer, the company has stood out by being fifth in the low-carbon building (BBCA) developers ranking for its two residential developments, Clémence Royer (Noisiel) and Liv'in (Bussy-Saint-Georges), which were made out of wood with a low carbon footprint.

In 2019, as the developer of the WOODi eco-neighbourhood in Melun, Crédit Agricole Immobilier received *HQE Aménagement* certification in recognition of its energy transition goals, which also included using land that was waiting to be built on for growing hemp. The hemp harvested has been used to supply a new sector of the bioeconomy: biobased building materials. Another concrete example of its efforts is the *"Conciergerie Solidaire"* building, which will be built out of hemp. In Annecy, a water loop system has been installed for the first time in the Tresums district opposite the lake to heat the district's domestic hot water. It will also be used in buildings' air conditioning systems, ensuring a very low carbon footprint. As winner of the "Reinventing Cities – Paris Porte de Montreuil" contest, the Nexity, ENGIE and Crédit Agricole Immobilier consortium will be developing a carbon-free district. The project is getting a head start on climate change challenges by offering, for the first time and starting in 2023, a zero carbon project that will take into account the impact of construction, the buildings' energy, as well as the forms of transport the buildings' occupants will be using. Fully 80% of materials used will come from the Île-de-France region: raw earth, stone, wood and hemp concrete. Local businesses (small and medium-sized) will participate in the project to involve more low-carbon construction sectors in the energy transition.

Since 2010, **Amundi Immobilier** has been committed to a responsible approach to its business, participating in numerous discussions and initiatives on responsible investing. Specifically, it is a member of the OID *(Observatoire de l'immobilier durable)* and ASPIM working groups that aim to create an SRI label for the real estate sector. In 2012, Amundi Immobilier drew up an internal Responsible Investment Charter to structure and facilitate the application of its ESG approach across all its business lines. The Charter uses an auditing tool that assesses the environmental and social performance of the buildings in its management portfolio. It was updated in 2018 to incorporate climate issues. Each building in the portfolio is analysed using a variety of criteria, including wellbeing, pollution, energy, water, transport, waste, and the property's carbon footprint and carbon trajectory – based on the 2°C target and exposure to climate risk. One of Amundi Immobilier's key initiatives in 2019 was the joint investment project with France's National Agency for Urban Renewal, announced in June 2019. The project aims to create a fund that will invest in co-working spaces in 1,500 officially designated priority neighbourhoods. Amundi's goal is to help reshape the link between the private and public sector by proposing new models of cooperation. The fund will include ESG investment criteria and is fully in line with Amundi Immobilier's ESG approach.

In 2019, **Indosuez Wealth Management** set up and started to manage a thematic fund called Indosuez *Objectif Terre.* The fund allows owners to invest in companies that are involved in combating global warming and safeguarding natural resources. The range of structured products offered by Indosuez was further broadened at the end of 2019 with the introduction of eight "green" products, mainly issued by Crédit Agricole CIB.

Helping customers move towards the energy transition

Policy

A **transition rating,** which will serve as a tool for both dialogue and customer support, will measure how committed business are and their ability to adapt their business models to the challenges of the energy transition and the fight against climate change. The rating will be added to the existing financial rating and provide a better-rounded picture of the business case. Based on the combined expertise of Crédit Agricole CIB and Amundi, in the rating methodology will be identified in 2020.

Action plans and results

In addition to its project financing activities, **Crédit Agricole CIB** contributes to financing the fight against climate change and the ecological transition through its **green bond arrangement** business, directing capital from bond markets (green bonds) towards environmental projects. Crédit Agricole CIB has been working in this market since 2010 and in 2019 arranged €64.4 billion of green, social, and sustainability bonds for its major clients. Global Capital recognised the bank for the sixth consecutive year (2014 to 2019) for its green, social, and sustainability bonds origination activities. In addition, Crédit Agricole CIB is an issuer since 2013 of Green Notes dedicated to financing environmental projects.

At 31 December 2019, green bond assets were as follows:

Issuer	Amount outstanding *(in millions of euros)*	Number of emissions
Crédit Agricole S.A.	2,000	2
Crédit Agricole Home Loan SFH	1,250	1
Crédit Agricole CIB	2,120	178
TOTAL	**5,370**	**181**

As at 31 December 2019, the green portfolio of Crédit Agricole (excluding Crédit Agricole Home Loan SFH) focused on Crédit Agricole CIB (67%), followed by Regional Banks (29%), CACF (3%) and LCL (1%). Almost half the green portfolio is located in France (47%), and the other half is divided over the rest of Europe (27%), the American continent (15%), and Asia (10%). Renewable energy is the qualifying category that is most represented in the green portfolio (55%), followed by green real estate (21%), environmental friendly transportation (11%), water and waste management (4%) and by energy performance (9%).

The Crédit Agricole green bonds are presented according to four core components, as defined by the Green Bond Principles:

- use of the funds;
- review procedure and project selection;
- monitoring the use of funds;
- reporting.

The Green Bond Frameworkof Crédit Agricole consists of six different eligible categories of green loans:

1) renewable energy;
2) green real estate;
3) energy performance;
4) environmental friendly transportation;
5) water and waste management;
6) sustainable agriculture and forest management;

The Green Bond Framework of Crédit Agricole is available on the Crédit Agricole S.A. website at https://www.credit-agricole.com/finance/finance/dette. It has received a second opinion from the non-financial rating agency VigeoEiris which was updated in 2019. The experts of VigeoEiris approved the methodology for identifying and selecting green assets included in the green portfolio, as well as the relevance of the eligible categories selected in the fight against climate change.

In October 2019, Crédit Agricole published the first Group-wide green bonds report covering Crédit Agricole's very first issue in 2018 as well as all Crédit Agricole CIB Green Notes as at 30 June 2019. The report, which is available on the Crédit Agricole S.A. website at https://www.credit-agricole.com/finance/finance/dette, describes how the proceeds from the green bond issues by Group entities have been allocated to Crédit Agricole's green portfolio and provides an estimate on the carbon impact of the green projects financed in this way. For example, the Crédit Agricole S.A. green bond has financed green projects that will reduce greenhouse gas emissions by around 320 metric tons of CO_2 equivalent per million euros per year, while Crédit Agricole CIB Green Notes have financed green projects that will reduce emissions by 436 metric tons of CO_2 equivalent per million euros per year.

In 2018, Crédit Agricole implemented a shared Green Bond Framework for all Group issuing entities for their respective green bond issues. In 2019, the framework allowed Crédit Agricole S.A. to finalise its second green bond issue in the amount of €1 billion on 14 October 2019 and Crédit Agricole Home Loan SFH to successfully launch its first green covered bond issue in the amount of €1.25 billion on 27 November 2019 based on the Crédit Agricole Regional Banks' and LCL's home loans financing new housing granted after 1 January 2017. In the case of Crédit Agricole CIB, which began issuing Green Notes in 2013, the Crédit Agricole Green Bond Framework has replaced Crédit Agricole CIB's Green Notes Framework since 2018. Crédit Agricole green bonds follow the principles imposed by the Green Bond Principles, which are voluntary principles that structure the issue of green bonds and have guided the development of the market. The Green Bond Principles were proposed in 2014 by the leading banks arranging green bonds, of which Crédit Agricole CIB is one.

The **Regional Bank** network markets various loans that help finance work intended to improve home energy performance, such as:

- the interest-free eco-loan *(Eco-PTZ)*; since 1 January 2019 and until the end of October 2019, more than 5,015 loans have been completed by Crédit Agricole totalling more than €1.3 billion;
- energy savings loans offered by the Group since 2007; for the first 10 months of 2019, the total amount of loans granted by all Regional Banks reached 3,000 files and €45 million granted to customers of the 39 Regional Banks.

A **home simulator, Calculéo,** is also available on the Regional Banks' websites. It allows individual customers to determine the amount of any assistance to which they are entitled to finance energy saving work. In addition, Crédit Agricole offers its SME and mid-cap customers an Energy Advisory Plan *(Démarche Conseil Énergie)* to help them finance energy efficiency investments.

LCL has set up "Sustainable City – Energy Saving Work" loans with low interest rates to finance the cost of insulating or outfitting homes to make them more energy efficient. Such work could involve heating equipment, thermal insulation or the installation of equipment that uses a renewable energy source. Loan amounts range from €3,000 to €20,000. LCL also offers "Sustainable City – Green Mobility" consumer loans designed to finance the purchase of new or used vehicles (including pre-financing of the environmentally friendly car grant) that produce few or no polluting emissions. Loan amounts vary between €3,000 and €75,000, which makes it possible to purchase to a wide range of vehicles. Among the vehicles financed are the New Individual Electric Vehicles, for which LCL offers specific insurance policies against risks associated with the ownership and use of vehicles such as self-balancing scooters, monowheels, hoverboards or electric scooters (not an exhaustive list), which are increasingly being used in urban environments. Lastly, for the second consecutive year, during the entire 2019 *Tour de France,* LCL offered a special 0% loan for bicycle purchases (loans from €300 to €3,000 over 3 to 12 months) in addition to the above offers.

Of the €300 million allocated by LCL for securities underlying green bonds, LCL has already set up €270 million in financing for renewable energy projects (solar, wind and biomass).

Keen to make the fight against climate change accessible to all investors, **Amundi** has designed a series of innovative financial solutions and especially low-carbon and decarbonation strategies. The goal of these solutions is to reduce the carbon impact of portfolios, in other words to reduce the proportion of issuers included in portfolios that are emitting large amounts of CO_2 or that have fossil fuel reserves that potentially cannot be exploited. The decarbonation can apply to traditional portfolios or to index solutions. The result is a reallocation of capital away from companies that are most exposed to carbon risk to more ethical companies, with business models that are better adapted to a low carbon economy. Amundi was a pioneer with its September 2014 launch of an index-linked investment management product based on the MSCI Low Carbon Leaders indices, with the support of large institutions such as AP4 (Fourth Swedish National Pension Fund), FRR (French Pension Reserve Fund) and ERAFP (French Public Service Supplementary Retirement Pension Body). All of the solutions, which have a specific carbon requirement (open-ended funds, dedicated funds or management mandates), represented nearly €4.7 billion under management at Amundi in 2019.

3.2.3. Risk management

Policy

Measures to reduce physical and transition risks may include developing insurance products for climate hazards and continuing to finance the energy transition and green technologies.

The Group has also drawn up **sector-specific policies** for sectors with the greatest potential impact. In April 2018, it revised its guidelines for shale oil and gas. The revision was designed to exclude the financing of

Refer to the glossary page 647 for the definition of the technical terms.

hydrocarbons with excessive fugitive methane emissions. This change supplements the general policy of pulling out of coal financing introduced in 2015 and finalised in 2016 with the exclusion of the financing of new coal power stations or their expansion worldwide, as well as the financing of the least energy-efficient and hydrocarbons that contribute most to global warming (oil sands, extra-heavy oil, oil projects in the Arctic, etc.) published in 2017.

Action plans and results

Crédit Agricole CIB has been working for several years to better understand and manage climate risks by estimating the carbon footprint of its financing and investment portfolio and drawing up policies specific to the sectors representing the bulk of the footprint (over 80% of this footprint overall), seeking to assess the materiality of climate risks and by gradually introducing additional analyses for clients who appear to present the highest risks.

Crédit Agricole Assurances has introduced products for individuals, businesses and farmers that cover climate hazards that protect policyholders and their property from storms, natural disasters, or weather events (hail and frost). Crédit Agricole Assurances and Airbus Defence & Space have developed an insurance solution to manage climate risk for farmers called **forage insurance.** It is based on the measurement of a forage production index that measures by satellite the annual level of forage production from land locally for each municipality in France. This index is now adopted by all insurers offering prairie insurance in France.

Since June 2016, **Pacifica** has also been promoting insurance for hybrid and electric vehicles by removing the deductible for claims relating to these vehicles after taking out a policy. Batteries and cable are also covered in the event of theft or damage, including during rental. Pacifica is also adapting to new practices and offers car-sharing insurance (coverage of the driver for bodily injury, coverage of the passengers, including if they take the wheel, assistance). For policyholders driving less than 5,000 kilometres per annum, Pacifica offers a premium reduction. In 2018, Pacifica extended its two-wheeler insurance product range to include new individual electric vehicles, thus meeting insurance needs and supporting new urban mobility. Crédit Agricole Assurances has also implemented insurance cover for renewable energy equipment (solar panels, wind turbines) as part of its comprehensive home insurance policies and comprehensive professional and farming insurance.

3.2.4. Metrics and targets

Policy

Since 2011, the Group has used a methodology to quantify so-called "financial institution-funded greenhouse gas emissions". The methodology was developed at its request by the Finance and Sustainable Development Chair of University Paris Dauphine and the *École Polytechnique.* Dubbed **P9XCA,** this innovative methodology has been recommended for the corporate and investment banking sector since 2014 by the financial sector guide, "Quantifying Greenhouse Gas Emissions", published by *Agence de l'environnement et de la maîtrise de l'énergie* (ADEME), *Observatoire sur la responsabilité sociétale des entreprises* (ORSE) and *Association Bilan Carbone.* It allows the Group to calculate the order of magnitude of financed emissions, with no double-counting, and to map these emissions by economic sector and geographical area. Greenhouse gas emissions are allocated to economic agents according to their ability to (and economic interest in) reducing them based on a "by issue" allocation, as opposed to the usual "by scope" allocation. Some methodological adjustments were made in 2018, in parallel with the revision of emission factors.

The sectoral and geographical mapping produced using this methodology has informed which sectors the bank chooses for the development of sector-based CSR policies and has been used in methodologies and calculations related to **climate transition risk.**

Additionally, issues related to **physical climate risk** are now starting to be mapped by combining sectoral and geographic vulnerability.

Amundi has been publishing the carbon impact of its funds for the past three years. The calculation is based on data provided by Trucost, the global leader in environmental research and carbon data provision.

Meanwhile, starting in 2020, an information system designed to seamlessly monitor Group data will inform the work of the Scientific Committee and guide its strategic decision-making.

Action plans and results

According to the P9XCA method, the estimate of greenhouse gas emissions from all of the Group's investments and financing (scope 3) is as follows (in thousands of tonnes of CO_2 equivalent):

	Industries							
Geographic areas	Agriculture	Real estate	Energy	Manufacturing	Transport	Waste management	Public services	**Total**
France	19,335	8,664	3,738	3,807	17,238	2,952	1	**55,735**
Germany	140	220	2,144	420	2,795	1	0	**5,721**
Spain	6	99	618	147	1,065	28	3	**1,966**
Italy	260	448	2,116	790	3,232	135	0	**6,981**
United Kingdom	221	76	522	170	1,344	83	3	**2,419**
Other western Europe	334	500	3,979	1,195	4,910	159	140	**11,218**
Others Europe	27	364	2,232	1,657	3,154	63	0	**7,497**
Africa and Middle-East	543	101	976	943	1,852	1,681	0	**6,096**
United States	-116	878	2,942	3,381	5,397	83	250	**12,815**
Others North America	30	59	355	256	5,415	0	0	**6,115**
South America	414	35	609	827	2,390	223	0	**4,498**
China	23	284	838	1,925	1,333	0	0	**4,403**
India	2	10	2,813	1,255	264	36	0	**4,380**
Japan	0	135	0	323	853	0	0	**1,312**
Others Asia	132	403	2,469	1,836	2,843	73	0	**7,756**
TOTAL	**21,352**	**12,275**	**26,352**	**18,933**	**54,085**	**5,518**	**397**	**138,911**

Refer to the glossary page 647 for the definition of the technical terms.

The calculated emissions linked to the Group's investments and financing (scope 3) have increased significantly since the previous calculation (dating from 2018). The main reason for this increase is the sustained growth in the Group's investment and financing outstandings of around 10%, particularly in the industrial sector.

Crédit Agricole calculated its exposure to the coal sector on the portfolio of large customers of CACIB and Amundi.

For the financing portfolio, the total exposition of the coal sector comprised of direct asset financing dedicated to coal and of indirect expositions calculated based on the turnover of our clients originating from coal (covering 76% of the outstanding financing on the balance sheet of CACIB, based on the publicly available data as of the end of 2019). Comparatively, a similar exercise was carried out to identify the direct exposure to green asset financing (as defined by the Green Bond Framework) for both direct and indirect exposure.

As for the Investment portfolio, the calculation of exposition covers 71% of the outstanding financing on the balance sheet of Amundi. It was calculated by considering our indirect exposure (percentage of the turnover of our clients originating from coal). The data is based on passive and active managed assets excluding those linked to a JV or those based on private management.

Exposure of portfolios to large customers (CACIB and Amundi)

	2019		2018		Variations	
	in millions of euros	% of outstandings	in millions of euros	% of outstandings	in millions of euros	% of outstandings
Coal exposure – financing portfolio Crédit Agricole CIB	474	0.6%	609	0.83%	-22%	-28%
Green energy exposure – financing portfolio Crédit Agricole CIB	7,232	9%	6,087	8.2%	19%	10%
Coal exposure – investing portfolio Amundi	1,006	0.09%	770	0.08%	31%	13%

The Group will continue, throughout 2020, its work on extending the measure.

To calculate its carbon footprint, Crédit Agricole follows the recommendations in the sectoral guide for the financial sector Quantifying Greenhouse Gas Emissions, published by ADEME, ABC and ORSE. Produced in 2014 with the participation of some twenty financial institutions, NGOs and experts, the guide recommends that corporate and investment banks and universal banks use a macroeconomic approach (so-called top-down methodologies), which is the only way to guarantee all results are added together and therefore the accuracy of the resulting order of magnitude.

Crédit Agricole deploys this approach worldwide using the P9XCA methodology, developed as part of a university research project (with *École Polytechnique* and University Paris Dauphine). The project revealed a footprint of around 120 million tonnes of greenhouse gases in 2018, an order of magnitude consistent with the Group's market share in the financing of the French and global economies.

With regard to this major difference, we believe it is important to point out that the methodology used by Crédit Agricole correlates, by construction, the sum of the carbon footprints of all global financial institutions with total global emissions, whereas the methodology used in the Oxfam study results in a sum equal to several times this level (around four to five times the global emissions, with the bias noted in the figures produced in the report).

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scopes covered
Green finance: one of the Group's Keys to growth	Assets in the green financing portfolio *(in billions of euros)*	N/D	N/D	7.1	13	CACIB
	Outstanding amount of specific environment-related initiatives *(in billions of euros)*	N/D	8.2	12.3	20	Amundi
	Investments in renewable energies *(capacity in GW)*	1.3	1.7	1.9	2	CAA

Refer to the glossary page 647 for the definition of the technical terms.

THE AVAILABILITY OF NON-FINANCIAL DATA IS CRUCIAL TO THE FIGHT AGAINST CLIMATE CHANGE

At the end of the year, the European Commission adopted a uniform classification system (a taxonomy) to assess an economic activity's degree of environmental sustainability based on objective criteria. The Commission was assisted in its work by a group of high-level experts. Among other things, the work led to a solid definition of a sustainable activity. Specifically, an activity is sustainable if it contributes substantially to one (or more) environmental objectives, without causing significant harm to the environment and while complying with international standards of social law. This positive taxonomy was initially designed to identify sustainable investment activities and specifically those financed by so-called "green" funds. However, its scope of application is expected to extend quite quickly to financing activities.

The European Commission has also decided to adopt new guidelines on corporate climate reporting, in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Nevertheless, the availability, quality and traceability of non-financial data is a major challenge. The relevance and speed of the support provided by financial players for a decarbonised economy depend to a large extent on the relevance of the disclosures, which should include:

1) data provided by internal information systems. The Commission's work in this case is a valuable aid in qualifying, codifying and comparing the impact generated by the financing provided;
2) data provided by the companies themselves, either directly or indirectly via non-financial rating agencies.

Numerous improvements should increase the relevance of the taxonomy proposed by the Commission, while experimentation will also cause some adjustments. For this reason, Crédit Agricole supports the European Commission's efforts to make any non-financial corporate disclosures that significantly affect climate change available, public and verifiable. In 2020, the Group will implement an innovative information system to manage and publish this non-financial data.

Managing and reducing direct and indirect carbon footprints

Policy

Following the adoption of several measures, including **the use of 100% renewable electricity at all French facilities,** Crédit Agricole S.A. has committed to **reducing its greenhouse gas emissions by 15%,** encompassing energy (in terms of square metres) and transportation (in terms of FTE) for the period from 2016 to 2020.

This requires each Group entity to implement action plans to reduce energy consumption in their buildings and data centres, as well as the carbon footprint of employee travel. These action plans have been successful as the greenhouse gas emissions of scope 1 and scope 2 have decreased by 7% and 5% from 2018 to 2019.

Action plans and results

Since 2007, **energy consumption** has been monitored at all Crédit Agricole S.A. entities in France and abroad. Within the Group, action plans have been implemented to reduce energy consumption (e.g., eco-friendly practices).

	Consumption			Tons eq. CO_2/yr			Estimated coverage rate		
	2019	2018	2017	2019	2018	2017	2019	2018	2017
Gas	72,890 MWh	79,037 MWh	69,034 MWh	14,981	16,244	14,188	93%	94%	96%
Fuel oil	4,777 MWh	4,511 MWh	3,585 MWh	1,514	1,430	1,137	100%	100%	100%
SCOPE 1	**77,667 MWH**	**83,548 MWh**	**72,619 MWh**	**16,495**	**17,674**	**15,325**			
Electricity	309,699 MWh	328,238 MWh	309,094 MWh	66,032	69,046	64,928	93%	93%	99%
District heating	17,035 MWh	20,581 MWh	16,570 MWh	3,809	4,602	3,705	100%	100%	96%
Cooling network	4,996 MWh	5,062 MWh	3,573 MWh	218	221	156	100%	100%	100%
Data Centre Electricity(1)	77,515 MWh	79,876 MWh	73,242 MWh	2,831	2,917	2,675			
SCOPE 2	**409,245 MWH**	**433,757 MWh**	**402,479 MWh**	**72,890**	**76,786**	**71,464**			

(1) Only the consumption of data centres that could be isolated from their corresponding office buildings is taken into account. It is therefore confined to the following entities: Greenfield, the Group data centre managed by Crédit Agricole Immobilier, Crédit Agricole CIB France, Amundi France, Agos, Credibom, CA Indosuez Switzerland S.A., CA Indosuez Wealth (Europe), CFM Indosuez Wealth and Crédit du Maroc.

Launched by **Crédit Agricole Group Infrastructure Platform (CA-GIP)** in January 2019, the Voltaire project involves immersing servers in oil to cool them down. Following a pilot phase, the system is now in use at the Greenfield Data Centre in Chartres. Oil conducts heat 1,500 times better than air! It captures released heat naturally, while maintaining a steady temperature. Furthermore, the machines are protected against thermal shock, pollutants and oxidants in the air. The technique also significantly reduces overall infrastructure and operating costs. This first project was an unqualified success for CA-GIP and will lead to the start-up of specific projects requiring high-powered servers, such as high-performance computing, cloud computing, blockchain, and artificial intelligence.

In 2018, a **mobility plan** was implemented jointly with the entities present at the Montrouge and Saint-Quentin-en-Yvelines facilities. A survey was conducted among the 12,000 employees, as well as two exchange workshops, to better understand travel expectations. Various actions were proposed and approved by the CSR Committee, including the development of teleworking, bicycle use, and the implementation of a carpooling app. The fleet of electric bicycles made available to employees was expanded and bicycle paths were built in collaboration with the City of Montrouge.

Refer to the glossary page 647 for the definition of the technical terms.

A call for tenders for the six entities was launched in 2019 and led to the set-up of a carpooling app through a third party. In addition, a new framework agreement has been established between HR and trade union organisations to increase the number of teleworking days. The introduction of teleworking has saved 43 metric tons of CO_2 equivalent, based on a work year of 46 weeks. This corresponds to a reduction in commuting emissions of around 3.5%.

The Group measures emissions from business travel annually to monitor trends on this front. The indicators cover business travel by rail and air.

	Train			Air			Total		
	2019	2018	2017	2019	2018	2017	**2019**	**2018**	**2017**
Distances travelled *(in thousands of kilometres)*	57,040	52,262	49,548	160,264	184,576	154,438	**217,304**	**236,838**	**203,986**
CO_2 emissions *(in tons CO_2 eq.)*	2,570	2,355	2,232	43,859	54,360	44,863	**46,429**	**56,714**	**47,095**

Scope covered: 90% of FTEs.

(in tons CO_2 eq.)	2019	2018	2017
Train	2,570	2,355	2,232
Air	43,859	54,360	44,863
Financing and investments	139,000,000	123,000,000	123,000,000
SCOPE 3	**139,046,429**	**123,056,715**	**123,047,095**

The calculated emissions linked to the Group's investments and financing (scope 3) have increased significantly since the previous calculation (dating from 2018). The main reason for this increase is the sustained growth in the Group's investment and financing outstandings of around 10%, particularly in the industrial sectors.

In addition, the Crédit Agricole Group has invested in the Livelihoods Carbon Fund, which seeks to improve the living conditions of rural populations in developing countries through carbon finance, since its launch in 2011. The Livelihoods Carbon Fund, which brings together, in addition to Crédit Agricole, Danone, Michelin, CDC, Firmenich, Hermès, La Poste, SAP, Schneider Electric and Voyageurs du Monde, is an impact investment fund that finances agroforestry, rural energy and ecosystem restoration projects. With a total of 45 million in investments, the Livelihoods Carbon Fund supports nine large scale projects in Africa, Asia and Latin America. These projects generate carbon credits with a high social and environmental value: in addition to reducing the carbon footprint of its private investors, the Livelihoods Carbon Fund generates tangible social, economic and environmental impacts for local populations and natural ecosystems.

In 2019 for example, the Group has offset almost 73,005 tonnes of CO_2 (energy and transport emissions) within the scope of Crédit Agricole S.A. UES, Amundi and Crédit Agricole CIB). The certificates received for 2019 come from four projects:

- Tiipaalga in Burkina Faso (support for 30,000 families to make their own improved stoves that consume up to 60% less wood, in a region threatened by desertification: the Bam and Loroum provinces in the north of the country);
- Hifadhi in Kenya (agroforestry and distribution of 60,000 improved stoves to families living at the foot of Mount Kenya, to reduce wood consumption by 60%, improve the life of 300,000 persons and to prevent over one million in CO_2 emissions over 10 years);
- Yagasu in Indonesia (restoration of 5,000 hectares of mangrove forest on the northern coast of Sumatra, a region that is deforested due to the rapid industrialisation of the island and hit by the tsunami of 2004, which caused 220,000 deaths. The project makes it possible to sequester 2 million tonnes of CO_2 over 20 years and to improve the income of local communities, thanks to the enhancement of forests and their biodiversity);
- Mount Elgon in Kenya: promoting an agricultural model based on agroforestry to support dairy production, food security and the preservation of biodiversity. The project assists 30,000 farms in adopting sustainable agricultural practices to preserve soil organic matter, improve biodiversity and water resources, and sequester 1 million tonnes of CO_2 over 10 years.

THE LIVELIHOODS CARBON FUNDS, OUR CARBON OFFSETTING APPROACH

The methodology used by the Livelihoods Carbon Funds is based on six main principles:

1. Reducing CO_2 first and foremost	2. Impact	3. Large-scale projects
All investors and Livelihoods partner companies must have an ambitious policy to reduce CO_2 emissions. Carbon offsetting only occurs after this reduction.	All Livelihoods projects have a positive environmental or social impact on the countries or regions where they are implemented, and they contribute to the fight against global warming.	Livelihoods funds provide seed funding to NGOs seeking to implement large-scale projects.
4. Risk management	**5. Long-term projects**	**6. Direct beneficiaries**
Livelihoods is not a commercial organisation and does not buy carbon credits to resell directly to businesses. It is a mutual fund created by companies that invest in high-risk stocks and earn carbon credits.	Livelihoods funds are a long-term investment vehicle. Contracts are drawn up based on projects that will be spread over 10 or 20 years.	The value created by Livelihoods Funds stays in the regions where it works. Livelihoods does not own any land, trees or crops.

Refer to the glossary page 647 for the definition of the technical terms.

Forests are the second largest carbon sink after the ocean and are an essential component of biodiversity. For this reason, in 2019, **Crédit Agricole Assurances** stepped up its commitment to reforestation and sustainable forest management in France by launching a programme that linked savings or insurance policy subscriptions to tree planting, in partnership with Reforest'Action, for 300,000 trees per year ambition that was exceeded at 31 December 2019.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Direct environmental footprint	Energy-related GHG emissions/m^2	0.02845	0.03010	0.02855	-	Crédit Agricole S.A.
	GHG emissions related to business travel/FTE	0.639	0.773	0.636	-	Crédit Agricole S.A.
	Carbon offsetting with Livelihoods of the GHG emissions in % of scope 1 and 2	41%	63%	82%	-	Crédit Agricole S.A.
	Number of trees planted through Reforest'Action	N/D	N/D	337,094	1,000,000	CAA

3.3 CRÉDIT AGRICOLE: AN INFLUENTIAL PLAYER FOR A MORE INCLUSIVE AND LESS CARBON-INTENSIVE ECONOMY

Introduction

For the transition to be just, it must be successful at three levels: energy, social impact and local communities. The climate challenge is therefore not just environmental. It is also local and human. The success of the energy transition requires massive investment that must be socially acceptable. The problem we have to solve is how to provide access to clean energy for all.

In addition to helping our customers move towards the energy transition, **we are committed to guiding them towards sustainable business models.** All companies, regardless of sector, must adapt: energy, of course; shipping, which needs to reduce greenhouse gas emissions as well as air pollution; agri-food, which face sourcing, biodiversity, animal welfare and health challenges; telecommunications, which consumes large amounts of energy and rare earths; construction and public works, and so on.

The choices made by investors, especially institutional investors, will determine which direction the economy will go in and how each sector will develop. The development of **responsible investment,** especially through **the ESG approach,** is a **powerful driver for steering the economy towards a sustainable development model.** This systemic and multi-criteria approach covers most of the major social and environmental issues facing our societies. Responsible investment fulfils a growing demand from investors who are now driving the growth of this market.

At the same time, an increasing number of individuals are developing an interest in these types of investments and want to move their savings into economically sustainable business activities. Recognised SRI accreditation should raise the profile of these funds. The development of ESG is included in the Group's "Ambitions 2022" strategic plan and reflects its commitment to steering its portfolios towards a sustainable economy. **Crédit Agricole's goal is to become the European leader in responsible investment.**

Also deserving our full attention is France's agricultural sector, since **more than eight out every ten farmers are Regional Bank customers.** With the economic and social situation of a significant number of farmers on the one hand and society's expectations for a more sustainable production model on the other, it is our responsibility to help this population move towards viable and more eco-friendly business models, with the support of public policies geared towards the sector's challenges.

ESG strategy

Policy

For several years, the Group has been integrating ESG criteria into investment decisions and encouraging its customers to invest responsibly. Its ESG goal is based on four objectives:

- **Amundi:**
  - apply the ESG policy to all open funds actively managed by Amundi and to voting decisions in 2021;
  - double green investment portfolios to €12 billion for institutional customers;
  - triple green investment portfolios to €10 billion for individual customers;
- **Crédit Agricole Assurances:**
  - expand the application of the ESG criteria in investment and financing by 2022.

At the same time, **Crédit Agricole S.A.** has undertaken to invest €6 billion of its liquidity portfolio in green, social and sustainability bonds.

Action plans and results

A pioneer in responsible investment and the European leader in asset management with more than €1,653 billion in assets under management, **Amundi** has made ESG analysis a core focus of its development strategy. In its strategic plan for 2021, launched in 2018, Amundi gives its commitments a new scope:

- all actively managed open funds will have an ESG rating that is higher than their benchmark index or investment universe;
- Amundi's voting policy will systematically include its ESG rating;
- passive management assets incorporating ESG criteria will be doubled;
- specific initiatives promoting investment in projects with an environmental or social impact will be doubled;
- Amundi's specific advisory activities for institutional clients will be developed to support them in their ESG development.

Amundi selected the best-in-class approach as the basis for its ESG rating methodology. This approach consists of comparing players within the same sector to identify best practices and encourage all issuers to embark upon a progress initiative.

(in billions of euros)	2019	2018
Assets under management	1,653.4	1,425.1
Assets under management after excluding G-rated issuers	1,564.8	1,358.4
Responsible Investment Assets at 31 December	323.5	275.8
ESG funds and position (ESG over/underweighting, specific exclusions according to Amundi standards or according to customer standards or needs)	310.9	267.3
Specific initiatives		
▪ Environment	12.3	8.2
▪ Solidarity	0.26	0.22

The principles of Amundi's ESG policy are as follows:

- an ESG analysis of firms based on documents such as the United Nations Global Compact, the OECD Guidelines on Corporate Governance, and International Labour Organization (ILO) policies, as well as a proprietary ESG rating;
- a strict, targeted screening policy that resulted in the exclusion of 319 issuers (corporates and governments) in 2019; includes the exclusion of G-rated issuers (not conforming with Amundi's ESG principles or international conventions), and the exclusion of certain activities. Since 2016, Amundi has been disengaging from issuers that generate 50% of their revenues from coal mining, in line with the commitments of the Crédit Agricole Group. This threshold was gradually decreased to 25% in 2018. In 2019, Amundi extended its coal policy to power generation companies. As a result, this also excludes all companies generating 50% or more of their revenue from coal mining and coal-fired power generation and all power generation and coal mining companies whose threshold is between 25% and 50% and who do not intend to reduce the percentage of revenue from these activities. These issuers are rated G on the Amundi rating scale;
- Amundi is actively engaged with G-rated issuers to get them to stop their most controversial practices. Since 2018, it has applied a sector-specific restriction policy to the tobacco industry. It was decided that any company generating more than 10% of its revenue from tobacco could not receive an ESG rating higher than E (applicable to suppliers, manufacturers and distributors). Consequently, such companies are excluded from the range of SRI funds, which historically have excluded issuers rated E, F or G. Similarly, since the end of 2018, companies generating more than 10% of their revenue from tobacco have also been excluded from SRI funds;
- attributing ESG ratings to all fund managers in the same way as financial ratings;
- an engagement policy aimed at getting companies to implement best practices;
- a voting policy that integrates ESG issues.

Since 2016, **four Amundi funds have received SRI accreditation** from France's Ministry of Finance and Public Accounts. In addition, Amundi's SRI activities are certified by AFNOR, which renews certifications yearly. Finally, to implement the ESG policy, Amundi has developed significant resources: a department dedicated to responsible investment, a team of 18 analysts focused on voting policy at General Meetings, shareholder dialogue with companies, etc. and eight external non-financial data providers. As a result, more than 8,000 issuers have been rated based on ESG criteria.

Amundi's engagement policy takes three forms: engagement for influence, information gathering for rating purposes and shareholder dialogue. It is an essential part of fiduciary responsibility and Amundi's role of responsible investor:

- engagement for influence: Amundi conducts a policy of engagement for influence on specific themes to encourage companies to adopt better practices. This work is the subject of an annual commitment report made public and available on the website of Amundi. In 2019, engagement for influence focused on the themes of a living wage and the practices employed by banks when issuing green bonds;
- shareholder dialogue: Amundi has set its own voting policy, updated annually, which incorporates its ESG criteria. The goal of shareholder dialogue is, through regular, constructive interaction, to clarify Amundi's expectations as a responsible investor with regard to the resolutions presented at General Meetings to issuers representing the most significant positions in the portfolio. This dialogue involves sending pre-alerts ahead of General Meetings for the purpose of collecting additional commitments, amendments or even the withdrawal of certain resolutions submitted by issuers. Shareholder engagement is also a growing lever of influence for a low-carbon economy, which has intensified since 2017.

In 2019, this engagement involved 165 meetings with issuers through alerts and dialogue.

Voting campaign at General Meetings (GMs)	2019	2018	2017
Number of GMs concerned	3,492	2,960	2,540
Number of resolutions considered	41,429	35,285	32,443

As a leading institutional investor and a signatory to the Principles for Responsible Investment (PRI), the **Crédit Agricole Assurances** Group is mindful of its responsibilities towards the sectors and issuers in which it invests. It integrates ESG criteria into all its asset classes by relying on Amundi's expertise and its ESG analysis and filter system. Crédit Agricole Assurances also developed shareholder engagement in our strategic holdings, with the active participation of our Investment Department on the Boards of Directors of companies in which the insurer is a shareholder. Since 2017, Crédit Agricole Assurances has applied a policy of excluding tobacco industry purchases and no longer directly holds any tobacco assets in its portfolios.

In terms of products, **Crédit Agricole Assurances** offers SRI unit-linked policies via its subsidiary **Predica** for most of the multi-vehicle life insurance policies distributed by its networks. These SRI unit-linked policies offer either a theme-based or best-in-class approach. Its international subsidiaries are also gradually adopting this approach. Since the launch of the SRI unit-linked products, several initiatives have been carried out to promote this type of investment to distribution networks and customers. These include the creation of an information packet for distribution networks, network activities during key periods (e.g., Sustainable Development Week, SRI Week, Social Finance Week, etc.), and customer communication on SRI. In October 2019, CAA held an open day with Amundi on socially responsible, community-focused CSR investment solutions, with the dominant theme nevertheless on community-focused investing. The goal was to continue to engage Crédit Agricole's Regional Banks on these issues. At end-2019, a total of 14 unit-linked policies offered to investors by Predica had been awarded the SRI certification developed by the French Ministry of Finance.

Refer to the glossary page 647 for the definition of the technical terms.

The **Indosuez Wealth Management** group has put together an action plan primarily designed to promote CSR within wealth management. Its goals are as follows:

- raise customer awareness about CSR;
- introduce a range of ESG mandates and funds;
- develop a socially responsible investment and financing offer;
- apply an SRI rating to eligible customer portfolios.

The work that has already been completed has resulted in customer events on the theme of green finance and it is now foreseeable that a first ESG discretionary mandate may be launched in 2020.

In 2018, **CACEIS** launched an offer aimed at its investor customers that measures the ESG footprint of their securities portfolios.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scopes covered
An influential player for a more inclusive and less carbon-intensive economy	Assets incorporating an ESG filter *(in billions of euros)*	N/D	275.8	310.9	-	Amundi

ESG risk management

Policy

The way potential negative environmental and/or social impacts related to financing and investments are taken into account is based on three pillars: application of the Equator Principles, CSR sector policies, and an assessment of the transactions' environmental and social aspects.

The Equator Principles were developed in response to limitations and triggers related to project financing, as defined by the Basel Committee on Banking Supervision. Even if they cannot always be applied as is to other forms of financing, they nevertheless constitute a methodological framework for assessing and preventing the social and environmental impacts of financing once it is linked to building a specific industrial asset, such as a plant or transport infrastructure.

The CSR sector policies published by the Group set out the social and environmental criteria included in its financing and investment policies. These criteria mainly reflect the civic issues that seem most relevant for a bank, and more particularly for Corporate and investment banking, and notably regarding respecting human rights, combating climate change and conserving biodiversity. The goal of these CSR sector policies is thus to set out the non-financial principles and rules governing financing and investments in the sectors in question. The sectors in question are: arms, coal power plants, oil and gas, hydro-power, nuclear, shale gas, mining and metals, aerospace/maritime/automotive transport, transport infrastructure, property, forests and palm oil.

The environmental or social sensitivity of transactions has been assessed since 2009. It reflects either the existence of doubts regarding the management of environmental or social impact that are considered critical, or the existence of controversy regarding the transaction or the customer.

Action plans and results

In 2019, a total of **30 Crédit Agricole CIB** financing projects were granted and classified according to **categories A, B and C of the Equator Principles**[1]. As at 31 December 2019, there were 411 projects in the portfolio. The classification of projects breaks down as follows:

- 38 projects were classified as A, of which 8 in 2019;
- 317 were classified as B, of which 22 in 2019;
- 56 were classified as C, of which none in 2019.

In addition, at the end of 2013, Crédit Agricole CIB introduced a **CSR rating system** for all its corporate customers designed to supplement the environmental and social risk assessment system for transactions. Customers are rated each year on a three-level scale (advanced, compliant or sensitive), based on the customer's compliance with existing sector policies, any image risk for the bank, and the performance level recognised by non-financial agencies. Following tests carried out between 2016 and 2017 and the establishment of a sectoral and geographical mapping of physical risks and climate transition risks related to water management and respect for human rights, three levels of due diligence were introduced in 2018 (simplified, standard and enhanced).

Crédit Agricole has also reaffirmed its intention to incorporate ESG risks into its corporate lending decision-making. In 2016, a questionnaire was drawn up with the **Regional Banks** and tools were made available to relationship managers to raise awareness about these risks. In 2018, Regional Banks tests provided trainings for the Board members in the Credit Committee. The CSR rating is reviewed by the Credit Committee. In addition, a CSR section is included in the "Economic Analysis of Corporate Commitments document".

LCL also adopted this approach in 2019 by including the ESG questionnaire in the credit reports submitted to the Credit Committee based on two test corporate departments. The system is expected to be rolled out across all regions in early 2020.

(1) The categories of the International Finance Corporation (IFC) consist of three levels:
- Category A: Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;
- Category B: Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures;
- Category C: Projects with minimal or no adverse environmental and social risks and/or impacts.

Refer to the glossary page 647 for the definition of the technical terms.

Amundi has been a signatory to the Principles for Responsible Investment (PRI) since 2006 and to the UNEP FI since 2014. These are major international principles that define responsible investment and promote the incorporation of environmental, social and governance (ESG) criteria into investment decisions.

Helping farmers move towards more sustainable production models

Policy

Crédit Agricole is the bank for all forms of agriculture and provides funding every day for its customers' **sustainable agriculture projects.** An advocate of a multifunctional agriculture sector, both economically and in terms of social and environmental issues, the Group assists farmers diversify their income by investing in **renewable energy generation:** wood biomass, solar, and methane conversion. In addition, a number of Group entities in France and abroad have introduced products to **help our customers transition to organic farming.**

At the end of 2019, Crédit Agricole's 39 Regional Banks, represented by Crédit Agricole S.A., signed a guarantee agreement with the French Ministry of Agriculture and Food and the European Investment Fund (EIF). The agreement will make close to €625 million in loans over a three-year period available to agricultural and agri-food companies in France as from the 2020 Paris International Agricultural Show. Financing under this arrangement will receive more attractive financial terms and have less stringent insurance requirements. These new loans are targeted at investment projects **that address the issues and challenges facing French agriculture.** Specifically, they will support the next generation of farmers with agro-ecological projects or projects that will generate added value and/or jobs; strengthen high-quality sectors by encouraging links to local communities and the use of local distribution networks; **transform agricultural models** to improve performance and promote innovation; diversify operations and revenue; and upgrade assets for more efficient use of resources such as energy, heat and water.

Action plans and results

The Group is constantly expanding its offerings to best meet the needs of farmers. To this end, it launched an **organic farming initiative** aimed at farms that have either transitioned or are in the process of transitioning to organic farming. The initiative, which has been rolled out in more than 20 Regional Banks, includes a range of "organic farming" service offerings tailored to the needs of this customer segment, particularly during the transition phase, coupled with training for farming advisers to give them a better understanding of the transition process and subsequent impact on business models. Crédit Agricole Italia has launched a similar offer. The Transitions offer for financing more energy-efficient vehicles and facilities has also been rolled out to the agriculture sector.

In autumn 2018, Crédit Agricole, in collaboration with Agence Bio, once again sponsored the ***"Les Trophées Bios"*** competition. The purpose of this competition is to highlight that organic farming is a source of innovation and promise. The 2018/2019 jury, chaired by the Director of the Nicolas Hulot Foundation, rewards farmers and processors with technical, marketing or social innovations. This competition, launched 10 years ago, reviewed more than 400 projects during this period, demonstrates a passion and a desire to innovate. The awards were presented at the Paris International Agricultural Show in February 2019. 10 years of competitions resulted in a book titled "Innovation at the heart of organic farming". This book allows us to discover the diversity of innovations and the will of a large number of farmers, beyond technical innovations, to draw a renewed link to nature and living things.

In 2019, **Crédit Agricole Assurances** demonstrated its commitment to supporting agriculture's transition to increasingly sustainable practices. A three-year agreement with AgroParisTech has been signed to become a partner in the Grignon Énergie Positive (GE+) scheme. Grignon Énergie Positive is a technical and research programme that aims to improve the triple performance of agriculture: economics, energy and environment. Crédit Agricole Assurances brings its expertise in risk management to this programme and will focus on assessing and quantifying new risks to farmers from changes in agricultural practices. This approach, which had never been used before, has allowed Crédit Agricole Assurances to accurately identify needs and propose risk management tools adapted to these new agricultural practices. Crédit Agricole Assurances also provides farmers with ways to adapt to climate change.

Animal welfare

Policy

When it comes to animal welfare, society is developing new expectations:

- food consumption is changing (vegetarianism, veganism, increased appeal of organic or free-range products, etc.);
- heated debate on the status of animals that is reflected not just at symposia and in publications but also in bills that in 2015 led to the amendment of France's Civil Code;
- animal welfare issues related to livestock and slaughter conditions are widely covered by the media;
- challenges to French agricultural production by some animal protection associations have intensified.

Several research projects are currently underway to determine how to assess the welfare of farm animals more accurately, especially in the European Union. The challenge is to define indicators that measure animal welfare (or, conversely, animal suffering) in order to understand what constitutes ethical animal treatment. This scientific research will be used to change French and European animal protection legislation by making it results-driven rather than means-driven. Crédit Agricole is actively involved in this research to incorporate animal welfare into all its business lines.

Action plans and results

Amundi is now including animal welfare in its non-financial rating criteria for issuers in the food sector. In April 2019, it reviewed the food sector, during which it presented the conclusions of the report by the EAT-Lancet Commission on healthy and sustainable diets. In June 2019, Amundi joined FAIRR, a network of institutional investors who engage in dialogue with companies in the food sector, food retail/wholesale and food service to help them change their behaviour and implement a more sustainable global food system. FAIRR also publishes a variety of research, which Amundi uses to enhance its qualitative analyses. Lastly, a new animal welfare category has been created that uses the BBFAW (Business Benchmark on Farm Animal Welfare) index. Launched in 2012, the benchmark ranks the farm animal welfare practices of 150 companies (food producers, food retailers and wholesalers, and restaurants).

Refer to the glossary page 647 for the definition of the technical terms.

Protecting human rights

Policy

The consideration of human rights in financing and investment activities dates back to early 2000, following commitments entered into with the Global Compact. It has since been structurally implemented within Crédit Agricole CIB and Amundi. Sector policies on CSR refer in particular to the fundamental conventions of the International Labour Organisation (ILO) and the performance standards of the International Finance Corporation (IFC).

Action plans and results

In 2016, **Crédit Agricole CIB** mapped the sectors and regions in its own activities and supply chain that are most exposed to the risks of human rights violations. Crédit Agricole CIB has integrated this new analysis criterion into its CSR rating system. Continuing the work begun in 2017, Crédit Agricole CIB played an active role in 2018 and 2019 in revising the Equator Principles, which led to a vote in 2019 on a new iteration of these principles that improved, among other things, the recognition of the rights of indigenous peoples.

As a promoter of responsible management, **Amundi** is committed to respecting human rights around the world. Respect for human rights is one of the criteria used to rate issuers and, together with environmental criteria, constitutes the basis for Amundi's exclusion policy. Respecting human rights is also taken into account in the ESG rating through the "local communities and human rights" criterion. When a company violates human rights in a serious and repeated manner, without taking effective remedial measures, and after dialogue with the company, Amundi can excluded it from its investment universe, as it would conflict with the 10 principles of the Global Compact. Human rights are also included in the analysis of the supply chains of companies in sectors requiring vigilance against human rights' violations by certain suppliers. Migrant workers in particular are more at risk and deserve close attention through monitoring programmes that can be set up by contracting companies.

4. A COMPANY THAT IS ACTIVELY PARTICIPATING IN ITS TRANSFORMATION

The Group also has a **duty to act as an example in terms of its direct social and environmental impacts.** With regard to social impact, the Group is committed to empowering its employees (see section 2 of this Statement of Non-Financial Performance) and taking its external stakeholders into account. This means ensuring its practices are ethical and that it respects human rights.

The Group's efforts to manage or reduce its direct impacts are primarily reflected in:

- its **tax and lobbying policies** in response to the expectations of government and society at large, which no longer accepts that corporations can evade taxation or influence the law unless it is in the collective interest;
- its **responsible purchasing policy,** which has been implemented by the Group for many years. The policy is designed to meet suppliers' expectations as well as prevent any risks related to human rights, child labour or environmental impacts that may arise throughout the value chain. The responsible purchasing policy is included in the Vigilance Plan (see Chapter 3.1 of the Universal Registration Document);
- its policy for **managing its direct environmental footprint,** whose main objectives, given its tertiary activities, are to **reduce energy consumption** and **promote the circular economy.**

4.1 TAXATION AND RESPONSIBLE LOBBYING POLICY

Introduction

The tax policy of Crédit Agricole S.A. complies with transparency and accountability rules that require it to follow the tax laws and regulations in force in the countries and regions in which it operates.

4.1.1. Tax policy

Policy

The Group pays all **taxes and levies** required by law in the countries and regions in which it operates; the amounts paid correspond to the underlying economic value created in those countries or regions in the course of its business. The Crédit Agricole Group generates three-quarters of its revenue in France and likewise pays three-quarters of its taxes in France. Thus, its tax charges are in line with its business activities.

Crédit Agricole S.A. has developed, under the authority of its Executive Management, a **set of rules** that have led it to withdraw from countries classed as non-cooperating by the OECD. This policy is implemented under the control of the Group Compliance, Public Affairs and Tax departments. In France and abroad, the Group complies with the mechanism in force to fight tax evasion. Crédit Agricole S.A. has no entity in countries on the list of non-cooperative tax countries and territories established by France and the European Union (Law No. 2018-898 of 23 October 2018 on the fight against fraud).

Crédit Agricole S.A. is also **transparent about its organisation, the location of its entities, its structure and its operations.** Every year, Crédit Agricole S.A. publishes a country by country breakdown in its registration document of its full-time equivalent employees, revenues generated locally, its pre-tax income, taxes and profit in each country (distinguishing between current tax and deferred tax), plus all public subsidies it received. These figures show aggregate data for each country. Crédit Agricole S.A. maintains a professional and cooperative relationship with tax authorities in all countries in which it operates, and fully, frankly and transparently discloses all relevant information in compliance with its legal disclosure requirements whenever disputes arise. Crédit Agricole S.A. annually publishes a list of all its subsidiaries and entities, with their name, business type and geographic location. When the Group operates in countries where income tax is considerably lower than French income tax, it can prove that it operates a bona fide banking and finance activity in these countries and has real economic substance in these locations (technical expertise, employees and material resources specific to its business). It also communicates transparently on tax audits performed within the Group, any adjustments notified by the tax authorities and the resulting provisions.

The Crédit Agricole S.A. Tax Department ensures that the Group's tax practices pursue broad **goals of responsibility and compliance,** not just the narrower purpose of managing the cost of tax and tax risk. Accordingly, Crédit Agricole S.A. provides no help or encouragement for customers in violating tax laws and regulations, nor does it facilitate or support transactions where tax efficiency for the customer is derived from the non-disclosure of facts to the tax authorities. Furthermore, in accordance with the standard on the automatic exchange of information developed by the OECD to combat tax evasion, adopted by a hundred countries and transposed by the European Union, the entities of Crédit Agricole Group (like all financial institutions based in signatory countries of the scheme) identify account holders (both existing customers and new customers) who are tax residents of the countries with which an exchange agreement has been signed. From 2017, it will send information about these customers each year to their local tax authority, which will then forward it to the tax authority in the country of residence concerned.

Lastly, Crédit Agricole S.A. regularly checks how it uses **tax incentives and deductions** to ensure that they are contributing to investment, employment or any other factor.

Action plans and results

Crédit Agricole S.A. also applies a transfer pricing policy in line with OECD principles: it declares its revenue and pays the corresponding taxes in the jurisdictions where it conducts its banking and financial activities. Crédit Agricole S.A.'s effective tax rate in 2019 amounted to 7.37%. However, this rate should be corrected for the positive effect produced by the outcome of the Emporiki litigation that came up in 2019. The EIR was 24.59%, stable compared to previous financial years. This rate only relates to part of the overall tax charge borne by Crédit Agricole Group. This means that Crédit Agricole S.A.'s effective tax rate does not include all the corporate income tax that is paid by the various Group entities. The effective tax rate for the Crédit Agricole Group in 2019 was 17.79%, however effectively 28.70% when restated for the effect of the Emporiki litigation.

The Crédit Agricole Group has publicly undertaken to only conduct international wealth management activities in countries and territories that are committed to the automatic exchange of information; to only deal with customers who provide it with a mandate to automatically exchange information about such customers with the relevant authorities; not to create, manage or advise off-shore entities. **Indosuez Wealth Management** helps its customers comply with tax requirements and after the automatic exchange of information with the European Union, the entity has extended the scope to partner countries.

4.1.2. Responsible lobbying

Policy

Crédit Agricole S.A. is **transparent about its lobbying efforts with legislators and fiscal policymakers,** and its taxes are determined by the legal tax regime applicable to all other similar taxpayers. It conducts its lobbying activities in full transparency with all stakeholders and complies with prevailing best practices.

The Group Public Affairs Department is responsible for lobbying on behalf of the Crédit Agricole Group. It consists of eight persons, three of whom are full-time in Brussels. It works alongside correspondents within the Management of the Group and its subsidiaries. Also subject to the **Internal Code of Business Conduct** and the monitoring of its budget by the Finance Department, the Group Public Affairs Department regularly communicates key messages and positions advocated to internal bodies, including the Executive Committee, the Management Committee and the Specialised Committees of the Board of Directors. Since 1 January 2016, the duties of the Director of the Group Public Affairs Department have been extended to cover the entire Crédit Agricole Group, including the Regional Banks, the *Fédération Nationale du Crédit Agricole* and Crédit Agricole S.A. The Group Public Affairs Department operates primarily at two levels, namely France and Europe. Many of the issues it deals with involve working closely with the French Banking Federation (FBF), as well as the European Banking Federation (EBF), the Association for Financial Markets in Europe (AFME) and/or the European Association of Cooperative Banks (EACB) at the request of *Fédération Nationale du Crédit Agricole,* of which it is a member. In 2019, the work of the Group Public Affairs Department targeted both the French government (National Assembly, Senate, departments and regulators), as well as European institutions (European Commission, European Parliament and Council of the European Union). The department also had dealings with the European Central Bank in its capacity as the Single Supervisory Mechanism (SSM) and Single Resolution Board (SRB) responsible for ensuring the orderly resolution of Europe's failing banks. This led to significant efforts being made, both directly and through our industry bodies, to preserve particular mutual aspects as the revision of the rules on credit institutions in Europe (Capital Requirements Directive and Regulations or CRD 4 and RRC) drew to a close. The Group was also involved in consultations with European authorities on the digital transformation of the banking sector and defended the Group's model in the context of the examination of the draft law for the growth and transformation of companies in the French Parliament.

Action plans and results

To ensure that its lobbying activities comply with best practices, Crédit Agricole S.A. adopted a **Lobbying Charter** in 2013. The charter applies to Crédit Agricole S.A. and all of its entities. Subsequently, in May 2017, the Group adopted a Code of Ethics defining its main principles, which are transposed into a Code of Conduct for each entity. The Code for Crédit Agricole S.A. has been adopted in May 2018 and includes the Lobbying Charter of 2013. In 2014, it signed the joint statement of Transparency International France, thereby pledging to take into account the principles of transparency, fairness and integrity recommended by this association. Registered since 2009 on the European Union Transparency Register, Crédit Agricole S.A. has undertaken to adopt the Code of Conduct for interest representatives. In France, Crédit Agricole S.A. is registered with the digital register for interest representatives pursuant to the Sapin II Law of 9 December 2016.

4.2 RESPONSIBLE PURCHASING

Introduction

The Purchasing teams play a key role in supporting stakeholders, especially suppliers and business lines. They help the Group **take social and environmental issues into account.** For example, regional employment, workforce entry for those who have difficulty finding jobs, diversity, energy consumption reduction and the purchase of eco-designed products are all issues monitored on a daily basis by the Group through its **ambitious Responsible Purchasing policy.** The Purchasing teams also have a major responsibility towards their suppliers in that they **drive innovation** and promote best market practices.

Refer to the glossary page 647 for the definition of the technical terms.

The Purchasing teams are contributing to the **Group's "Ambitions 2022" strategic plan** by applying its principles across the purchasing business line and ensuring that stakeholders, both suppliers and internal decision makers alike, are involved in the plan so that purchases are responsible. This means being aware of the impacts generated by their purchases, whether those impacts are economic, environmental or social. The Crédit Agricole Group has therefore adopted a **Responsible Purchasing policy** to address the major challenges of tomorrow in the regions where it operates and contribute to the Company's overall performance. The policy is also part of the **Group's Code of Ethics.** This policy was created together with Group entities and the Regional Banks. The Chief Executive Officers of Group entities are each committed for their entities and have signed this policy. The Responsible Purchasing policy applies to all employees, anyone involved in the purchasing process and our suppliers. It is implemented through an action plan that is directly linked to the three Ambitions 2022 projects:

- Customer/Supplier Project: ensuring responsible conduct in supplier relations;
- Human Project: a changing purchasing business line that develops the skills of its teams;
- Societal Project: integrating environmental and societal aspects into purchasing.

In terms of **organisation,** the CSR manager within the Crédit Agricole S.A. Group Purchasing department coordinates with the entities' purchasing managers and CSR officers to ensure all purchases are responsible and in line with the "Supplier Relations and Responsible Purchasing" label. A seminar is held every year for business line purchasing managers from all entities in order to create the CSR action plan. The Purchasing Management Committee, which oversees the CSR performance of suppliers, reviews CSR issues related to the label and the duty of vigilance on a quarterly basis. A **dashboard of key CSR purchasing indicators** shared by all Group entities (including Regional Banks) has been approved by the Crédit Agricole Group Purchasing Management Committee and will be deployed in 2020.

4.2.1. Ensuring responsible, sustainable conduct in supplier relations

Policy

Responsible and sustainable relationships with our suppliers are a key part of our Responsible Purchasing policy and are based on the following principles:

- strengthen mutual understanding between companies and suppliers and develop a culture of listening;
- ensure financial fairness with our suppliers;
- contribute to the development of the local community.

The **Responsible Purchasing Charter,** which synthesises Crédit Agricole S.A. main commitments on responsible purchasing, was revised in 2017 and is included in all supplier contracts. It is built on reciprocal commitments derived from the fundamental principles of the United Nations Global Compact. A clause on the respect of human rights, environmental protection and the fight against corruption was added to enhance the contracts in 2018.

Action plans and results

Crédit Agricole S.A. signed the **Responsible Supplier Relations Charter** in 2011. Furthermore, the **"Supplier Relations and Responsible Purchasing" label** granted by the French Ombudsman and the French National Purchasing Board (CNA), was renewed in April 2018 across a broadened scope to include Crédit Agricole S.A. and its subsidiaries. The organisation and actions of Crédit Agricole S.A. and its subsidiaries were certified to be at a "convincing" level compared to the ISO 20400 normative framework.

Satisfaction surveys are part of a regular process to gather opinions from stakeholders, suppliers and internal decision makers with three objectives: measure supplier satisfaction with the relationship with the Group, measure decision-maker satisfaction with the pool of supplier by purchasing category, and the purchasing service and support. In addition to the annual survey, a questionnaire has been developed that will be sent to bidders at the end of each call for tenders in order to verify that they have been treated fairly. The questionnaire will be sent out through our information system in 2020.

The third edition of the **Supplier Meetings,** which brought together almost 300 suppliers in June 2019, was dedicated to CSR. Michel Ganzin, Crédit Agricole S.A. Deputy Managing Director in charge of the Operations and Transformation Division, presented the guidelines for the new Group Project and Medium-Term Plan announced to investors on 6 June 2019. Eric Campos, Head of Corporate Social Responsibility at Crédit Agricole S.A. and Managing Director of the Grameen Foundation, suggested ways that purchasing could help make the world more inclusive (through jobs, value sharing, local development, etc.) and reduce our own carbon footprint.

These supplier meetings have led to the launch of an **open innovation** initiative involving around 30 suppliers focusing on two themes: "Increasing service providers' involvement in daily work" and "How can we reduce the environmental footprint of IT?"

Lastly, our Italian subsidiaries held the first edition of their own Supplier Meetings, which was attended by our Group Purchasing Director.

It is worth noting that the **CSR Director** also acts as **Internal Mediator** for Crédit Agricole S.A. They can be contacted by the suppliers and/or the relevant internal service (purchasing, legal, accounting, etc.) in order to facilitate the amicable settlement of any conflicts.

Crédit Agricole S.A. actively **monitors its supplier payment deadlines.** The ongoing deployment of a common purchasing information system for all entities contributes to better monitoring of payment terms throughout the Group. The Group's purchasing business line gave itself a target in 2022 to reduce the number of invoices paid late by each entity by 25%. Division managers discussed this objective and during the year introduced a FReD initiative specifically dedicated to processing late payments. This action led to the establishment of a single methodology and enhanced indicators that are shared by all Crédit Agricole S.A. entities. Suppliers now have the option to enter their invoices directly into the computerised purchasing system. The average time it took Crédit Agricole S.A. to pay an invoice in 2019 was 42.41 days, for nine consolidated entities[(1)].

In addition, knowledge of our suppliers is traditionally understood through financial and CSR risk, with particular attention paid to the **economic dependence of suppliers** on the Crédit Agricole Group.

4.2.2. A purchasing business line that is changing

Policy

The **Purchasing Business Line (PBL)** has more than 390 employees within the Crédit Agricole Group, including buyers in charge of purchasing categories on behalf of the Group, and business buyers at the subsidiaries and Regional Banks who are on hand to respond to the needs expressed by the business line.

It is tasked with making responsible purchases, contributing to performance, and playing an active role in the transformation of the Group and its environment. The Purchasing Business Line has three goals:

- improve the Group's performance through our value creation proposals to best serve the business lines;
- safeguard the Group's decisions while turning challenges into opportunities;
- promote Responsible Purchasing for the benefit of local communities in accordance with our values and our environment.

(1) Crédit Agricole S.A., CAPS, LCL, CA Immobilier, CACIB, CACF, CALF, CAAS and CAGIP.

The Group Purchasing department has initiated **seven key projects** to be carried out by 2022 to benefit all Group entities. These projects are designed to address the challenges facing the Purchasing Business Line and particularly the question, "What can be done to show the Purchasing Business Line's added value?" They are overseen by teams comprising a sponsor (a Management Committee member), a leader, and contributors from potentially all entities.

Action plans and results

Three projects were launched in 2019 and produced deliverables. The first, a **"purchasing outreach"** project, was aimed at transforming the image of the buyer into that of a true business partner and business developer. The second, a **"purchasing attractiveness"** project, aimed to boost the attractiveness of the purchasing role, both internally and externally, by attracting new talent; and the third, the **"know your decision-makers"** project, was designed to better anticipate what our decision-makers need. To execute these projects, we conducted three internal surveys with our stakeholders.

Four of the projects launched in 2019 will continue in 2020:

- a "Cooperation with the Regional Banks" project, which aims to better distribute roles within the Regional Banks and their subsidiaries;
- a "DP4You" project, which aims to get more users to adopt the computerised purchasing system;
- a "KYS (Know Your Suppliers)" project, designed to learn more about suppliers;
- a "Being and Becoming" project, which aims to develop skills and promote mobility within the Purchasing Business Line and the Group.

At the same time, the action plan to **boost buyers' skills** is continuing, with two types of training not included in the internal training programme dedicated to purchasing and offered in the training plan:

- a degree course in partnership with the Master of purchasing programme at Grenoble IAE;
- the option to receive support to convert work experience into a degree (*validation des acquis de l'expérience,* VAE) following annual interviews.

4.2.3. Integrating environmental and societal aspects into our purchasing

Policy

The Purchasing Business Line has drawn its 2022 road map based on the widespread **integration of CSR in all its purchasing projects** in order to assess the CSR performance of supplier offers (increased to 15% of the overall rating). This means that:

- each purchasing category will have **specific CSR criteria that will be assessed during the tender process.** CSR objectives will be set in conjunction with decision makers, suppliers and buyers;
- **supplier CSR assessment** will be systematically required during calls for tenders. Since 2012, the CSR assessment of suppliers has been carried out by EcoVadis, an independent and specialised third party (contract renewed in 2018);
- **inclusive procurement** will be emphasised during the purchasing process and will apply both to **purchases aimed at developing jobs in local communities** (including small businesses) and to purchases intended to boost **jobs among vulnerable groups** (disabled workers sector, independent disabled workers and workforce re-entry associations). **The goal is to double inclusive procurement volume by 2022.**

Action plans and results

To complement the CSR commitments requested from our suppliers (CSR Charter and specific clauses), **CSR risks and opportunities are analysed** by purchasing category. This analysis according to CSR risk also complies with France's law No. 2017-399 of 27 March 2017 regarding the **duty of vigilance** on the part of parent companies and contracting companies.

In 2018, Crédit Agricole S.A. updated its **CSR risk mapping** to identify, analyse and rank high-risk purchasing categories based on environmental, social, human rights, ethics and supply chain criteria. This new map, which is specific to the banking sector, includes some one hundred purchasing categories. In this new mapping, the risk description for each purchasing category is structured according to the following three elements:

- the sources of risk analysed based on 13 criteria and divided into three categories (ethical, environmental, social);
- the probability of events occurring and the severity of their consequences;
- the consequences analysed according to four dimensions (financial, legal, organisational and reputational).

Based on an initial analysis of gross risk, three purchasing categories – construction, IT equipment and advertising items – were identified as having high or very high risk on our map. Specific efforts were made in 2019 to address this via a progress plan created in conjunction with our suppliers and decision-makers. From now on, any suppliers in these categories must undergo an EcoVadis CSR assessment in order to be selected after a call for tenders.

In general, for purchasing categories listed by Crédit Agricole S.A., a CSR assessment of suppliers is automatically included in each call for tenders. This assessment covers both the supplier's **CSR management system (EcoVadis)** and the **CSR criteria for evaluating the offer.** At 31 December 2019, a total of 1,684 Crédit Agricole S.A. suppliers had an EcoVadis rating and 596 were being assessed, which amounts to 59% of suppliers approached. The CSR quality of the supplier's offering (product or service) is assessed by including specific technical sustainable development criteria in the tender specifications according to purchasing category depending on the risks and opportunities identified through the CSR risk mapping. The supplier must show that its procedures comply with the stated principles during the project's entire lifecycle.

The integration of **inclusive procurement** in calls for tender is considered an opportunity. In 2019, considerable efforts were made in the IT category. These involved raising awareness among the Group's business lines and integrating the **protected workers sector** into our pool of IT services providers. When drawing up specifications, buyers automatically offer decision-makers criteria related to the **inclusion of disadvantaged groups.** These criteria are reflected, for example, in the use of the protected workers sector either directly or via a standard clause under a joint contract. In 2019, purchases assigned to the protected workers sector in France by Crédit Agricole S.A., its subsidiaries and Crédit Agricole Technologies et Services totalled €5.3 million versus €5.2 million in 2018.

Refer to the glossary page 647 for the definition of the technical terms.

Non-financial performance indicator

Risk management policy	Non-financial indicator	2017	2018	2019	2022 target	Scope covered
Responsible purchasing	% of suppliers with a CSR rating (from EcoVadis) during calls for tenders(1)	N/D	51%	59%	75%	Crédit Agricole Group

(1) *Cumulative since 2014 (including suppliers still being assessed).*

4.3 DIRECT ENVIRONMENTAL FOOTPRINT

Introduction

In addition to climate change, our planet faces **many other challenges related to human activities:** overconsumption of natural resources, beginning with water and the rising costs of access to drinking water; air, water and land pollution related to transportation, manufacturing and farming; soil sealing; loss of biodiversity resulting in disruption to our ecosystems; and risks to food security. Our economy and consumption patterns generate huge amounts of waste, and the accumulation of plastic, particularly in the oceans, is especially worrying.

Our production models must shift from the "disposable" and planned obsolescence to **"ecodesign"** and an **economy based on more sustainable goods.** This is the rationale behind the choices the Group has made for its locations and the eco-friendly action campaigns it conducts at its entities on a regular basis. As part of its approach to continuous improvement and to go a step beyond just managing its direct carbon footprint, Crédit Agricole is pursuing a **policy designed to reduce its direct environmental impacts** that are related not only to its operations but also to the products it manufactures or has manufactured, such as physical means of payment (especially cheques and bank cards).

4.3.1. Protecting biodiversity

Policy

Crédit Agricole and its entities are committed to preserving biodiversity at their sites and work in partnership with the local authorities of the regions where they do business. In 2018, Crédit Agricole S.A. signed a framework agreement with France's Museum of Natural History (MNHN) which, among other things, provides for:

- funding for a three-year university research programme on how farming practices affect biodiversity;
- support for MNHN's natural site restoration programmes throughout France. In 2019, four sites received support from the Regional Banks, Crédit Agricole S.A. and the CA Pays de France Foundation.

Action plans and results

With eight hectares of green space and more than 90 different plant areas identified, the **Evergreen campus** at **Montrouge** is a pristine area. In 2019, three beehives were placed on the campus and unplanted land was sown with flowering honey plants. Group-wide, 124 beehives have been installed producing more than two tonnes of honey annually. The Group's commitment to safeguarding ecosystems is further reflected through the designation of the Saint-Quentin-en-Yvelines and Montrouge campuses as bird sanctuaries ("Refuges LPO"). In addition to requiring employees to comply with the principles of its charter, the Group has created initiatives to educate them about biodiversity.

As part of the "Ambitions 2022" strategic plan, the Group has also set itself the goal of **totally eliminating the use of plastic cups, bottles and containers** at the Saint-Quentin-en-Yvelines and Montrouge campuses:

- starting on 1 January 2020, plastic cups will be replaced with reusable mugs or cups for employees;
- during the first half of 2020, plastic bottles and containers in cafeterias will be replaced with glass bottles and containers on which employees pay a deposit.

In July 2019, **Crédit Agricole Immobilier** signed a declaration to promote more nature in cities (the *"Pour une ville nature"* manifesto) along with 50 city officials and landscapers. Crédit Agricole Immobilier is committed to protecting biodiversity in cities and, to this end, works with political figures and major names in the real estate sector. The integration of living things is a requirement for sustainable cities. The study of soils, the reconstruction of ecosystems, and the management of local resources and species are issues that must be integrated into the operational business areas central to property development. Crédit Agricole Immobilier actively includes biodiversity protection in its property development operations through its "Nature in the City" concept. It also has an urban agriculture demonstration project at its Toulouse headquarters which not only allows teams to build skills in this area but also raises awareness among employees and customers about the added value of incorporating nature into property development projects. Crédit Agricole Immobilier's Agriville project for the *Château de Paléficat* site north-east of Toulouse was one of the 15 winners of the *"Dessine-moi Toulouse"* ("Draw Me Toulouse") call for innovative tenders in the Large-Scale Project category. The project team, which is 100% local, designed an agricultural urbanism concept at the centre of this huge area which will feature housing, community event spaces, shops, local services and urban agricultural activities. Led by Crédit Agricole Immobilier and co-designed by OECO Architects and HAME, the project promotes a nourishing and economically viable ecosystem that relies on a network of local players and will enable both residents and visitors alike to experience urban agriculture. At the centre of this completely redeveloped five-hectare park is the château, which will house a bistro-style restaurant once it has been renovated. Also on the site will be the La Serre, Le Préau and La Guinguette community buildings, where neighbours and visitors can drop in for socialising or relaxation. The pond will be cleaned and restocked, and vegetable gardens will supply "zero-kilometre" vegetables to families and the kitchens at the château.

Meanwhile, **Amundi** and other companies have made collective and individual commitments to integrate biodiversity into their global development strategies and contribute to the objectives set by the international community on this subject by joining act4nature, launched on 10 July 2018 by the Goodplanet Foundation. In 2019, Amundi signed the CERES declaration pertaining to deforestation and forest fires in the Amazon which calls for stricter control and monitoring to combat illegal deforestation. The declaration also supports the manifesto published by the Brazilian Coalition on Climate, Forests and Agriculture.

Refer to the glossary page 647 for the definition of the technical terms.

For several years the Group has also been involved in reforestation activities. It supports a programme in France for the reforestation of forest plots in anticipation of the future impacts of climate change. In 2019, **CACEIS,** a service subsidiary that manages the Crédit Agricole S.A. General Meeting of Shareholders, among other events, renewed its commitment to an electronic registration process for meetings. Each shareholder who opts to receive an e-notice helps promote reforestation in France (one new electronic registration = one tree planted). 2,500 trees were planted in 2019. For its part, **Crédit Agricole Payment Services** proposed a similar initiative as part of its switch to paperless employee pay slips. By opting to use a digital safe, employees have enabled 600 trees to be planted on a dedicated parcel of land in the French department of Vendée.

In 2018, **Crédit Agricole Assurances** entered into a partnership with the *Plantons pour l'Avenir* endowment fund, a partnership that was renewed in 2019. The fund aims to accelerate reforestation in France by providing the necessary funding for planting projects (in the form of an advance repayable at 0% interest over 30 years), supported by owners committed to the sustainable management of their forests. The partnership will plant a number of trees in France every year that is equivalent to the total amount of CO_2 emitted by Crédit Agricole Assurances (according to a metric established by the FCBA, i.e. 10,000 trees for 1,400 tonnes of CO2 equivalent emitted).

In 2019, **LCL** asked the design studio Les Résilientes to redecorate one of the branches in its network using materials collected by French charity Emmaus that cannot be distributed or resold in their current condition. Les Résilientes, which repurposes urban waste in fun way, was launched to help people in need to re-enter the workforce. It turns creativity into a genuine pathway to workforce re-entry or social integration and design into a tool for upcycling obsolete products and materials. As a result of this initial experience, LCL will be working with Les Résilientes on other branches in 2020.

4.3.2. Limiting the consumption of natural resources and promoting the circular economy

Policy

At all its locations, the Group works to limit the resources it uses and the waste it produces and to recycle or recover waste. It is helped in this effort by innovative infrastructure and investments in property and equipment. In 2013, it set up a system to monitor its energy, water and paper consumption and it also runs internal eco-friendly action campaigns aimed at all its employees.

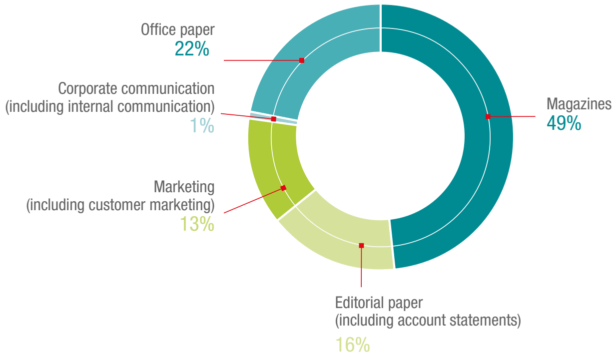
Action plans and results

In 2019, paper consumption totalled 14,701 tonnes, with 84% of the paper PEFC/FSC-certified or made from recycled fibres.

	2019	2018	2017
Total consumption *(in tonnes)*	14,701	15,581	16,917
Responsible paper use *(as a %)*	84	85	91

Scope covered: 90% full-time equivalent employees (FTEs).

Breakdown of paper consumption *(as a %)*



The **waste** categories covered by reporting include paper and cardboard, electrical and electronic equipment (WEEE and non-IT waste), and ordinary industrial waste (OIW – excluding paper and cardboard). Multiple efforts have been made by the entities to recycle waste. In 2019, 59% of the waste collected by the Group was recycled.

(in tons)	2019	2018	2017
WEEE - Waste electric and electronic equipment	163	87	69
Paper/cardboard	2,006	2,142	2,389
OIW - Ordinary industrial waste	1,848	2,286	2,277

Scope covered: 90% of FTEs.

With regard to **computer equipment,** a partner from the protected workers sector, ATF Gaia, has been collecting **WEEE** for some Group entities since 2014. It erases hard drive content using a software application approved by the Group's Security division and assesses the operating status of equipment that is subsequently sent for sorting. Equipment in working order is reused by the partner for charity purposes, while equipment that is no longer serviceable is destroyed in an environmentally-friendly manner.

Along with cheques, **bank cards** remain one of the few banking services to use a physical medium. Its ecological footprint linked to its plastic and metal components is therefore very real throughout its life cycle. In order to reduce this impact and in keeping with a circular economy, in 2013 **Crédit Agricole, in conjunction with Crédit Agricole Payment Services,** began rolling out the "Environmental Card" service at 35 Regional Banks. The "Collection and recycling of used bank cards at the branches" component enjoyed uninterrupted successes every year. In 2019, over 2.7 million cards, equivalent to 14.3 tonnes, have been collected. Since 2014, 16 million bank cards, weighing approximately 88.8 tonnes, have been recovered. Moreover, since January 2016, all new chequebooks proposed by the Regional Banks have been printed on PEFC certified paper. This certification guarantees sustainable management of forests for paper production, i.e. ensuring that forests are managed according to the highest environmental and social standards.

At the Group level, **water consumption** over the past three years has changed as follows:

	2019	2018	2017
Water consumption *(in m^3)*	749,322	813,147	752,521

Scope covered: 91% full-time equivalent employees (FTEs).

Refer to the glossary page 647 for the definition of the technical terms.

NOTE ON METHODOLOGY

The scope of the disclosures and data published in this Statement of Non-Financial Performance covers all fully consolidated entities with employees. Each item presented in this document is accompanied by an indication of the scope of employees covered (as a percentage of full-time equivalent (FTE) employees at year-end). Data relating to the Regional Banks is not included in this report (apart from some action plans). The consolidated data cover one calendar year, from 1 January to 31 December.

The contents of this Statement were compiled from surveys of CSR managers, Human Resource Directors and various departments of Crédit Agricole S.A., across a broad representative sample of Crédit Agricole Group entities.

As part of our ongoing policy to improve the reliability of social indicators, once again this year we asked our Statutory Auditors to conduct an in-depth examination of our voluntarily published social indicators. This work is the subject of an independent reasonable assurance report.

Following an analysis to identify CSR issues and main risks (see introduction to this chapter), the following topics were not identified by the Group as posing the highest risk (with respect to its activities and geographical locations): collective bargaining agreements entered into by the Company and their impact on the Company's economic performance and employee working conditions; actions aimed at combating discrimination and promoting diversity and measures taken to support people with disabilities; societal commitments in favour of sustainable development, the circular economy and the battle against food waste; respect for animal welfare; and responsible, fair and sustainable food. Nevertheless, the Group has implemented policies and action plans to address these important issues.

Employment reporting

- Unless otherwise stated, the population under review is that of "working" employees. The notion of working implies:
  - a legal tie in the form of a standard fixed-term or permanent employment contract (or similar abroad);
  - inclusion on the payroll and in the position on the last day of the period;
  - up until 2018, a working time percentage of 50% or more. This condition was removed from the data starting in 2019.
- Unless otherwise stated, the data are presented from the employer's viewpoint and not the beneficiary's viewpoint. The difference relates to employees seconded by one entity to another (with no change in the employment contract) who report to their host entity from the beneficiary's viewpoint and to their contracting entity from the employer's viewpoint.
- From 2018 onwards, training and absenteeism data are calculated over 12 months. However, in order to take difficulties faced by some of the entities into account, it is possible, in select cases and on an exceptional basis, to substitute the value of the 12th month by extrapolating it according to the first 11 months. The extrapolation must be an interim version toward full 12-month reporting in accordance with regulatory requirements.

Environmental and societal reporting

- An exclusion threshold was used to compensate for difficulties collecting information on entities with fewer than 100 FTEs (although excluding these entities still made it possible to cover over 80% of the workforce in the financial consolidation scope). It should be noted that the entities Crédit Agricole Srbija, Crédit Agricole Romania, Santander Securities Services S.A., Kas Bank NV and Europejski Fundusz Leasingowy (EFL) did not communicate data in 2019. A progress plan was defined in order to collect data from these entities.
- Environmental data for 2019 covers France and subsidiaries with more than 100 employees.
- CO_2 emissions are calculated using the benchmark emission factors of the International Energy Agency for electricity (excluding France). For entities in France, the emission factor used is 0.006kg CO_2eq/KWh, the Group having signed a national contract with EDF in 2015 for the supply of 100% renewable energy of French origin (mainly from hydropower). For other types of energy, emission factors used are those of DEFRA (British Department for Environment, Food and Rural Affairs) and the Ademe (French agency for environment and energy management) Carbon Base. For journeys by air, the emission factor takes into account emissions related to radiative forcing.

Other information

- NPS ranking: Results from an annual survey conducted by a market research organisation of a representative sample from the retail market. The ranking pertains to French network banks and excludes online banks.
- Source: "European leader in Responsible Investment": Extel Survey.

CROSS-REFERENCE TABLE

DPEF 2019	Pages	Global Compact	SDGs	PRB	ISO 26000	GRI G4
1. CUSTOMER PROJECT: STRENGTHENING CUSTOMER RELATIONSHIP EXCELLENCE						
1.1. Customer satisfaction and culture of excellence	46		16	3	6.7.6	G4-PR5
1.2. Ethical culture	48	10	16	All principles	6.6.3; 6.6.6; 6.7.4; 6.7.7	G4-14; G4-49; G4-56; G4-58; G4-S04
1.3. Adapting ours offers to new uses	51		16	1	6.7.3; 6.7.8	G4-EN27; G4-EC8; G4-LA15
2. HUMAN PROJECT: ADOPTING A MORE EMPOWERING MANAGEMENT STYLE AND WORK STRUCTURE IN AN ENVIRONMENT OF GREATER TRUST						
2.1. In-depth managerial transformation for empowerment	56	3	4; 10	1; 2; 5; 6	6.4.3	G4-EC3; G4-LA1; G4-LA2; G4-LA9; G4-LA10; G4-LA13
2.2. An organisational transformation to be closer to customers	62		12	1; 2; 4; 5; 6	6.4.3	G4-PR5
2.3. Strengthened environment of trust for mutual commitment of employees and the Company	64	3; 4; 5; 6	5	1; 2; 5; 6	6.4.4; 6.4.5; 6.4.6; 6.4.7	G4-11; G4-EC3; G4-LA1; G4-LA2; G4-LA3; G4-LA5; G4-LA6; G4-LA8; G4-LA12; G4-LA13
2.4. Employee-related indicators	68	4	3; 4; 5; 10	1; 2; 5; 6	6.4	G4-10; G4-11; G4-EC3; G4-LA1; G4-LA2; G4-LA3; G4-LA5; G4-LA6; G4-LA8; G4-LA9; G4-LA10; G4-LA13;
3. SOCIETAL PROJECT: COMMITTING TO A MORE INCLUSIVE AND LESS CARBON-INTENSIVE ECONOMY						
3.1. Mutual commitment to inclusive development	76	4	1, 4, 8, 9, 10, 11	All principles	6.8.3; 6.8.4; 6.8.5; 6.8.7; 6.8.9	G4-LA15; G4-EN27; G4-EC8
3.2. Green finance: one of the Group's keys to growth	84	7, 8, 9	6; 7; 8; 9; 11; 13; 14; 15	All principles	6.5.3; 6.5.4; 6.5.5; 6.5.6	G4-EN27
3.3. Crédit Agricole: an influential player for a more inclusive and less carbon-intensive economy	95	1; 2; 7; 8; 9	6; 7; 8; 9; 10; 11; 12; 13	1; 2; 5; 6	6.3.4; 6.3.5; 6.5.3; 6.5.4; 6.5.5; 6.5.6	G4-EC2; G4-EN3; G4-EN5; G4-EN6; G4-EN7; G4-EN8; G4-EN6; G4-EN15; G4-EN16; G4-EN17; G4-EN19; G4-EN27
4. A COMPANY THAT IS ACTIVELY PARTICIPATING IN ITS TRANSFORMATION						
4.1. Taxation and responsible lobbying policy	99	10	16	1; 2; 4; 5; 6	6.6.4; 6.6.5; 6.8.7; 6.8.9	G4-14; G4-49; G4-56; G4-58; G4-S04
4.2. Responsible purchasing	100	All principles	1; 3; 8; 10; 11; 12; 13	1; 2; 4; 5; 6	6.3.3; 6.4.3; 6.4.4; 6.4.5; 6.4.6; 6.4.7; 6.5.4; 6.6.6	G4-LA15; G4-EN27; G4-EC8
4.3. Direct environmental footprint	103	7, 8, 9	6; 7; 9; 11; 12; 13; 15	1; 2; 4; 5; 6	6.5.3; 6.5.4; 6.5.5; 6.5.6	G4-EC2; G4-EN3; G4-EN5; G4-EN6; G4-EN7; G4-EN8; G4-EN6; G4-EN15; G4-EN16; G4-EN17; G4-EN19; G4-EN27

The Global Compact is a UN initiative that encourages companies to adopt socially responsible behaviour based on 10 principles.

The UN's Sustainable Development Goals are a list of 17 targets to be achieved by 2030.

The Principles for Responsible Banking are a UN framework for a more sustainable and inclusive banking system.

ISO 26000 is an international standard which defines how organisations can contribute to sustainable development.

The GRI G4 is the fourth edition of the Global Reporting Initiative that aims to provide indicators for measuring the development of sustainable development programmes.

CONCLUSION

The energy transition calls for a radical transformation of the global economic engine if it is to be capable of creating growth while consuming less energy and become increasingly carbon-neutral. Our role, as a bank, is a major one, and we are fully committed to it.

Refer to the glossary page 647 for the definition of the technical terms.

REPORT BY ONE OF THE STATUTORY AUDITORS, APPOINTED AS AN INDEPENDENT THIRD PARTY, ON THE CONSOLIDATED NON-FINANCIAL INFORMATION STATEMENT INCLUDED IN THE GROUP MANAGEMENT REPORT

This is a free translation into English of the Statutory Auditor's report issued in French and is provided solely for the convenience of English speaking readers. This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

For the year ended December 31st, 2019

To the shareholders,

In our capacity as Statutory Auditor of Crédit Agricole S.A. (hereinafter the "entity), appointed as an independent third party and accredited by COFRAC under number 3-1060 rév.2 (whose scope is available at www.cofrac.fr), we hereby report to you on the consolidated non-financial information statement for the year ended December 31st, 2019 (hereinafter the "Statement"), included in the Group management report pursuant to the legal and regulatory provisions of articles L. 225-102-1, R. 225-105 and R. 225-105-1 of the French Commercial Code *(Code de commerce)*.

THE ENTITY'S RESPONSIBILITY

Pursuant to legal and regulatory requirements, the Board of Directors is responsible for preparing the Statement, including a presentation of the business model, a description of the principal non-financial risks, a presentation of the policies implemented considering those risks and the outcomes of said policies, including key performance indicators.

The Statement has been prepared in accordance with the entity's procedures (hereinafter the "Guidelines"), the main elements of which are presented in the Statement (or which are available on request from the company's Corporate Social Responsibility department).

INDEPENDENCE AND QUALITY CONTROL

Our independence is defined by the provisions of article L. 822-11-3 of the French Commercial Code and the French Code of Ethics *(Code de déontologie)* of our profession. In addition, we have implemented a system of quality control including documented policies and procedures regarding compliance with the ethical requirements, French professional guidance and applicable legal and regulatory requirements.

RESPONSIBILITY OF THE STATUTORY AUDITOR, APPOINTED AS AN INDEPENDENT THIRD PARTY

On the basis of our work, our responsibility is to provide a report expressing a limited assurance conclusion on:

- the compliance of the Statement with the provisions of article R. 225-105 of the French Commercial Code;
- the fairness of the information provided in accordance with article R. 225-105 I, 3 and II of the French Commercial Code, i.e., the outcomes, including key performance indicators, and the measures implemented considering the principal risks (hereinafter the "Information").

However, it is not our responsibility to comment on:

- The entity's compliance with other applicable legal and regulatory provisions, in particular the French duty of care law and anti-corruption and tax evasion legislation;
- The compliance of products and services with the applicable regulations.

NATURE AND SCOPE OF OUR WORK

The work described below was performed in accordance with the provisions of articles A. 225-1 *et seq.* of the French Commercial Code determining the conditions in which the independent third party performs its engagement and with the professional guidance of the French Institute of Statutory Auditors ("CNCC") applicable to such engagements, as well as with ISAE 3000 – Assurance engagements other than audits or reviews of historical financial information.

Our procedures allowed us to assess the compliance of the Statement with regulatory provisions and the fairness of the Information:

- we obtained an understanding of all the consolidated entities' activities, the description of the social and environmental risks associated with their activities and the impact of these activities on compliance with human rights and anti-corruption and tax evasion legislation, as well as the resulting policies and their outcomes;
- we assessed the suitability of the Guidelines with respect to their relevance, completeness, reliability, objectivity and understandability, with due consideration of industry best practices, where appropriate;
- we verified that the Statement includes each category of social and environmental information set out in article L. 225-102-1 III, as well as information regarding compliance with human rights and anti-corruption and tax evasion legislation;
- we verified that the Statement includes an explanation for the absence of the information required under article L. 225-102-1 III, 2;

Refer to the glossary page 647 for the definition of the technical terms.

- we verified that the Statement presents the business model and the principal risks associated with all the consolidated entities' activities, including where relevant and proportionate, the risks associated with their business relationships and products or services, as well as their policies, measures and the outcomes thereof, including key performance indicators;
- we verified, where relevant with respect to the principal risks or the policies presented, that the Statement provides the information required under article R. 225-105 II;
- we assessed the process used to identify and confirm the principal risks;
- we asked what internal control and risk management procedures the entity has put in place;
- we assessed the consistency of the outcomes and the key performance indicators used with respect to the principal risks and the policies presented;
- we verified that the Statement covers the scope of consolidation, i.e., all the companies included in the scope of consolidation in accordance with article L. 233-16 within the limitations set out in the Statement;
- we assessed the data collection process implemented by the entity to ensure the completeness and fairness of the Information;
- for the key performance indicators and other quantitative outcomes that we considered to be the most important and that are listed in the appendix, we implemented:
  - analytical procedures to verify the proper consolidation of the data collected and the consistency of any changes in those data,
  - substantive tests, using sampling techniques, in order to verify the proper application of the definitions and procedures and reconcile the data with the supporting documents. This work was carried out on a selection of contributing entities namely CACEIS Luxembourg, Cariparma, Credit Agricole Bank, Crédit Agricole Bank Polska S.A., Crédit Agricole Leasing & Factoring, Crédit Agricole S.A. as well as in the head office of Crédit Agricole S.A. for information consolidated at Group level or specific information related to entities not listed above, and covers between 24% and 100% of the consolidated data relating to the key performance indicators and outcomes selected for these tests;
- we referred to documentary sources and conducted interviews to corroborate the qualitative information (measures and outcomes) that we considered to be the most important;
- we assessed the overall consistency of the Statement based on our knowledge of all the consolidated entities.

We believe that the work carried out, based on our professional judgement, is sufficient to provide a basis for our limited assurance conclusion; a higher level of assurance would have required us to carry out more extensive procedures.

MEANS AND RESOURCES

Our work was carried out by a team of 11 people between October 2019 and March 2020 and took a total of 8 weeks.

We were assisted in our work by our specialists in sustainable development and corporate social responsibility. We conducted some forty interviews with some sixty people responsible for preparing the Statement.

CONCLUSION

Based on our work, nothing has come to our attention that causes us to believe that the non-financial information statement is not in accordance with the applicable regulatory provisions and that the Information, taken as a whole, is not presented fairly in accordance with the Guidelines.

Neuilly-sur-Seine, the 23rd of March 2020

One of the Statutory Auditors

PricewaterhouseCoopers Audit

French original signed	*French original signed*
Anik Chaumartin	Sylvain Lambert
Partner	Sustainable Development Partner

Refer to the glossary page 647 for the definition of the technical terms.

APPENDIX: LIST OF THE INFORMATION WE CONSIDERED MOST IMPORTANT

Selection of qualitative and quantitative information, associated with the policies, measures and outcomes related to the fifteen principal issues identified for the activity of Crédit Agricole S.A., disclosed in the following sections of the management report:

Main issues (challenges Crédit Agricole S.A.)	Sections of the management report disclosing the related policies, measures and outcomes reviewed within the framework of our work
Combatting corruption	1.2.2.
Fair competition	
Fair practices in marketing, information and contracts	
Protection of consumer data and privacy	
After-sales service, assistance and resolution of claims and disputes for consumers	1.1. including the indicators number of customers which were given a voice, number of questionnaires collected through the LCL recommendation questionnaire and number of customer champions
Access to essential services	1.3.1., 1.3.2., 3.1.1. and 3.1.3. including the indicators number of customers and number invoices financed by Cash in Time, number of customers in situations of vulnerability having received personalised support and number of eligible Banque de France over-indebtedness cases per month
Employment and employer/employee relations	2. and 2.1., including the indicators number of employees having completed at least one training session and number of training hours provided, number of "guilds", attendance to the Mobili'Jobs, number of Group executive having completed the "Leadership, Meaning and Empowerment" Programme, number of resumes received during the recruitment campaign and the Inspectorate General's Assessment Centre Days, attendees to the Leading Performance programme
Working conditions and social protection	
Social dialogue	2. and 2.3.
Development of human capital	
Promotion of corporate social responsibility in the value chain (responsible purchasing)	4.2. including the indicator number of suppliers of Crédit Agricole S.A. with an EcoVadis rating at 31 December 2019
Duty of vigilance	
Mitigation of climate changes and adaptation	3.2. including the indicators amount invested by Crédit Agricole Assurance in energy transition programs, scope 3 GHG emissions (related to financing, investments, train and air business travel) published on page 94 and Amundi fund holdings supporting the energy transition and green growth
Protection of the environment, biodiversity and restoration of natural habitats (sustainable investments and lending)	3.2.4. including the indicators scope 1 GHG emissions (related to gas and fuel oil consumption) published on page 93, scope 2 GHG emissions (related to building and data centre electricity consumption, district heating and cooling network consumption) published on page 93
Improvement of the vision of the overall performance of our counterparties (sustainable investments and lending)	3.1.2. and 3.3. including the indicators number of assignments of the "Banquiers Solidaires" programme, assets of the social impact, number of actors financed, number of investment themes, Responsible Investment Assets at 31 December, ESG funds and position, specific initiatives for environment and solidarity, number of Amundi funds having received SRI accreditation, number of external non-financial data providers, number of issuers rated based on ESG criteria, number of issuers through alerts and dialogue

3 CORPORATE GOVERNANCE

Refer to the glossary page 647 for the definition of the technical terms.

The Board of Directors

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2019

47%
WOMEN
ON THE BOARD

53%
MEN
ON THE BOARD

21
BOARD MEMBERS
including
6 Independent Directors
2 Non-voting Directors
1 Representative of the ESC

Dominique LEFEBVRE – Raphaël APPERT – Pascale BERGER – Philippe BOUJUT – Daniel EPRON – Véronique FLACHAIRE – Jean-Pierre GAILLARD – Jean-Paul KERRIEN - Christiane LAMBERT – Gérard OUVRIER-BUFFET – Renée TALAMONA – Louis TERCINIER – François THIBAULT – Pierre CAMBEFORT – François HEYMAN – Simone VÉDIE – Philippe DE WAAL – Caroline CATOIRE – Laurence DORS – Françoise GRI – Monica MONDARDINI – Catherine POURRE – Christian STREIFF – Bernard DE DRÉE

93%
MEETING ATTENDANCE RATE IN 2019

11
PLENARY MEETINGS OF THE BOARD IN 2019, INCLUDING 1 SEMINAR

41
MEETINGS
6 specialised committees

JOINT COMMITTEE
100% Attendance Rate
8 meetings
9 members

RISK COMMITTEE
94% Attendance Rate
7 meetings
5 members

AUDIT COMMITTEE
98% Attendance Rate
8 meetings
6 members

COMPENSATION COMMITTEE
94% Attendance Rate
6 meetings
6 members

APPOINTMENTS AND GOVERNANCE COMMITTEE
97% Attendance Rate
5 meetings
6 members

U.S. RISK COMMITTEE
100% Attendance Rate
4 meetings
3 members

STRATEGY AND CSR COMMITTEE
95% Attendance Rate
3 meetings
7 members

Committees chaired by an Independent Director – Committee chaired by the Chairman of the Board of Directors

Refer to the glossary page 647 for the definition of the technical terms.

1. REPORT OF THE BOARD OF DIRECTORS

ON CORPORATE GOVERNANCE TO THE GENERAL MEETING OF SHAREHOLDERS OF 13 MAY 2020 PURSUANT TO ARTICLES L. 225-37 AND L. 225-37-4 OF THE FRENCH COMMERCIAL CODE

Corporate Governance Report for financial year 2019

In addition to the management report, the Board of Directors' Corporate Governance Report presented pursuant to Article L. 225-37 of the French Commercial Code – provides shareholders with the required information on the Board's activities in 2019, its composition, and the conditions under which the Board prepared and organised its work. It also presents the situation of Crédit Agricole S.A. in respect of the regulated information required under Article L. 225-37-4 and falling within the Board's remit, including:

- the list of offices held by each Corporate Officer in any company during the financial year;
- any agreements which took place either directly or via an intermediary between, on the one hand, one of the Corporate Officers or a shareholder holding more than 10% of a company's voting rights and, on the other hand, another company controlled by the former within the meaning of Article L. 233-3, excluding any agreements concerning ordinary operations signed under normal conditions;
- a description of the procedure established by the Board to assess whether agreements relating to current operations and entered into under normal conditions do indeed meet these conditions, in accordance with Article L. 225-39 of the French Commercial Code;
- a description of the diversity policy applicable to the members of the Board of Directors with regard to criteria such as age, gender, qualifications and professional experience, as well as a description of this policy's objectives, its implementation procedures, and the results obtained during the financial year ended; this description is complemented by information on how the Company pursues a balanced representation of women and men in the Committee, where applicable, by general management in order to regularly assist them in the performance of their general tasks and on the results in terms of gender balance in the 10% of positions with higher responsibility;
- any restrictions imposed by the Board of Directors on the Chief Executive Officer's powers;
- any areas of non-compliance with the AFEP/MEDEF Code applicable within Crédit Agricole S.A.

Pursuant to Article L. 225-37-2 of the French Commercial Code, this governance report also includes the draft resolutions on the principles and criteria for determining and allocating the fixed, variable and exceptional elements of total compensation and benefits in kind awarded to the Chairman, Chief Executive Officer and Deputy Chief Executive Officer. The report details the above-mentioned elements of compensation and specifies that the payment of the variable and exceptional compensation is subject to approval of these elements of compensation by the Ordinary General Meeting.

Lastly, excluding the Board's powers, in particular concerning the issuing or buyback of shares presented in this section, certain information required under Article L. 225-37-4 and L. 225-37-5 is presented in other sections of this document:

- the table summarising the authorisations in force granted by the General Meeting of Shareholders concerning capital increases, pursuant to Articles L. 225-129-1 and L. 225-129-2, mentioning the use made of such authorisations during the financial year ("Information on capital and shareholders", page 28);
- the terms governing shareholders participation in the General Meeting as provided for in Articles 21 to 29 of the Articles of Association (General information pages 622 and 623) are also available for consultation at the registered office of Crédit Agricole S.A. and on its website www.credit-agricole.com.

A cross-reference table listing all the legal publication requirements before and after the reform introduced by the Order of 12 July 2017 is included on page 654 of this Universal Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

1.1 INFORMATION CONCERNING THE BOARD'S COMPOSITION AND FUNCTIONING

1.1.1. General presentation of the Board of Directors

The Chairman

In accordance with the governance model of Crédit Agricole, which separates steering and control functions on the one side from executive functions on the other side, the office of Chairman of the Board and that of Chief Executive Officer of Crédit Agricole S.A. are historically separate.

The Company complies with Article L. 511-58 of the French Monetary and Financial Code, which provides that: *"the Chairmanship of the Board of Directors, or of any other body performing equivalent oversight functions in respect of a credit institution or a finance company, cannot be held by the Chief Executive Officer or by anyone performing equivalent management duties"*.

Under Article L. 512-49 of the French Monetary and Financial Code, the Chairman is elected by the Board of Directors from among its members who are Directors of a Crédit Agricole Mutuel Regional Bank. The term of office, which is renewable, coincides with the term of office as a Director, which is three years. The statutory age limit is set at 67 years for the Chairman and the maximum number of terms of office he may seek is five.

As part of his statutory duties, the Chairman of the Board of Directors:

- approves the agendas for the Board Meetings and ensures that the information provided to the Directors is adequate to make reasoned decisions; to this effect, he contributes to the smooth flow of information between the Board and the Executive Management, and between the Board and its Committees;
- encourages and promotes open, critical discussions and ensures that all viewpoints can be expressed within the Board;
- ensures that the responsibilities held within the Board are clear for all Directors.

The Chairman of the Board of Directors is Chairman of the Strategy and CSR Committee. He is also a member of the Appointments and Governance Committee.

As a part of his relations with employee representative bodies, he chairs the European Works Council of Crédit Agricole S.A. Group. Each year in January he convenes the Directors representing employees and the representative of the Social and Economic Committee on the Board of Directors, to discuss the functioning of the Board of Directors and, more broadly, any current topic.

Since November 2015, for the purpose of simplifying the organisation of Crédit Agricole Group, the Chairman of Crédit Agricole S.A. is also the Chairman of *Fédération nationale du Crédit Agricole*. In this respect, he plays an essential coordination role between Crédit Agricole S.A. and Crédit Agricole's Regional Banks, its majority shareholder via SAS Rue La Boétie, of which he is the Chairman. To that extent he has been at the centre of the coordination between the federal authorities governing the regional banks and Crédit Agricole S.A. for the development of the new Strategic Plan 2022 as released on 6 June 2019. This Plan is built around three flagship projects: the Human Project; the Customer Project; and the Social Project. The Chairman is directly involved in and sponsors the Social Project, a project managed by the Deputy General Manager in charge of Savings and Property which aims to pursue the Group's commitment to inclusiveness.

The Chairman maintains an ongoing dialogue with the Chief Executive Officer of Crédit Agricole S.A., in particular within the framework of the bimonthly Coordination Committee meetings between senior executives of Crédit Agricole S.A. and the FNCA. He also meets with senior management executives on strategic matters or matters falling within the Board's remit, as well as with the Statutory Auditors.

In 2019, the Chairman took part in:

- the key meetings with the ECB's joint supervision team in charge of Crédit Agricole, as well as of meetings with banking supervisors;
- the main press conferences and meetings with the press, as well as interviews with editorial staff organised by the Communications Department by of Crédit Agricole S.A.;
- internal events and meetings with Crédit Agricole S.A. Group teams, including the "Journée agricole agri-agro" organised by Crédit Agricole S.A.'s Agriculture Division, and visits to French and international subsidiaries, among which, in 2019, Crédit Agricole Italy and Crédit du Maroc.

The Chairman also represents the Group at major public events such as the Paris International Agricultural Fair or related projects, and at projects supported by Crédit Agricole S.A. Group, such as the foundation "Un Avenir Ensemble" (a non-profit foundation that helps disadvantaged young people), the "Crédit Agricole Pays de France" foundation, the "Crédit Agricole Solidarité et Développement" foundation, and CICA, an organisation bringing together banks from 24 countries for the financing of agriculture.

The Board of Directors

The Board of Directors of Crédit Agricole S.A. comprises 21 Board members, including its Chairman, as follows:

- **eighteen Directors elected by the General Meeting of Shareholders, including:**
  - ten Directors who are Chairmen or Chief Executive Officers of a Crédit Agricole Regional Banks,
  - one Director that is a legal entity, SAS Rue La Boétie, represented by a Chief Executive Officer of a Regional Bank who is also Deputy Chairman of SAS Rue La Boétie,
  - six Directors from outside Crédit Agricole Group,
  - one Director who is an employee of a Regional Bank;
- **one Director representing professional farming associations,** appointed by joint decree of the Ministers of Economy and Finance and of Agriculture and Food, pursuant to the Act of 18 January 1988 on the mutualisation of Caisse nationale de Crédit Agricole, which became Crédit Agricole S.A. on 29 November 2001;
- **two Directors elected by the employees of Crédit Agricole S.A. Group.**

The majority representation of Crédit Agricole's Regional Banks on the Board of Directors of Crédit Agricole S.A. which hold through SAS Rue La Boétie 55,9% of the capital and voting rights, was affirmed in Crédit Agricole S.A.'s Listing Memorandum, drawn up between the Regional Banks and what was then CNCA (Caisse nationale de Crédit Agricole), published in Crédit Agricole S.A.'s Universal Registration Document for 2001.

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting Directors. Their appointment follows the review of their candidacy by the Appointments and Governance Committee. They attend Board Meetings in an advisory capacity. Their presence may express the desire to build a pool of potential appointees to the Board to replace outgoing members.

As such, the appointments as Directors of Philippe de Waal, Chairman of Regional Bank Brie Picardie, and of Pierre Cambefort, Chief Executive Officer of Regional Bank Nord Midi-Pyrénées, both currently non-voting Directors of Crédit Agricole S.A. since May 2017 and October 2018, respectively, will be proposed to the General Meeting of 13 May 2020. Similarly, in view of the succession of independent Directors currently in office, after review of her candidacy by the Appointments and Governance Committee, the Board of Directors appointed Agnès Audier as non-voting Director effective 1 January 2020. She joins the Board with the aim of proposing her appointment as a Director to the General Meeting of May 2021, at the end of which she should be entrusted with chairing a Committee.

Non-voting Directors are subject to the same rules as Directors and are remunerated under the same conditions. They are listed as permanent insiders and the provisions of the Board's Rules of Procedure, in particular as regards the prevention of conflicts of interest, apply to them.

Lastly, a representative of the Social and Economic Committee attends the meetings of the Board of Directors in an advisory capacity.

With regard to Directors representing employees, their participation in the Board is ensured by:

- two Directors (one manager and one non-manager) elected by the employees of the Economic and Social Unit of Crédit Agricole S.A. in accordance with the provisions of Articles L. 225-27 et seq. of the French Commercial Code;
- one representative of employees of the Regional Banks, selected under the collective agreement, under the auspices of Fédération nationale du Crédit Agricole, from within the labour union best representing the Regional Banks and whose appointment has been submitted to vote in the General Meeting under the conditions of ordinary law. This representation is set out in the 2001 Listing Protocol.

As a result of the existence of Directors directly elected by employees, Crédit Agricole S.A. is exempt from the requirement of having Directors representing employee shareholders. This exemption has been abolished by the Law of 22 May 2019, known as the PACTE Act, and an amendment to the Articles of Association will be proposed to the General Meeting of 13 May 2020 setting out the terms and conditions for the appointment of this Director, whose election will be submitted for the approval of the General Meeting of 2021. In order to limit the size of the Board to 21 Directors and to maintain the majority representation of the Regional Banks, the position of Director representing the employees of the Regional Banks will not be renewed at the General Meeting of May 2021. In order to preserve this historic and legitimate representation on the Board of Directors, the employees of the Regional Banks will be represented in the Board of Directors by a non-voting Director from this date on.

Without taking into account the three Directors representing employees, 33% of the Directors on the Board are independent, in line with the recommendation of the aforementioned AFEP/MEDEF Code for companies controlled by a majority shareholder.

In addition to the above-mentioned provisions of the Articles of Association, it is specified, pursuant to Article L. 225-37-5 of the French Commercial Code, that the rules applicable to the appointment and replacement of members of the Board of Directors of Crédit Agricole S.A. are the ordinary-law rules laid down in the French Commercial Code and the French Monetary and Financial Code (in particular Article L. 511-51). As Crédit Agricole S.A. is an entity under the direct supervision of the European Central Bank, its Board of Directors is also covered by the ECB's Single Supervisory Mechanism (SSM Framework Regulation of 16 April 2014). To this effect, after the appointment (or re-appointment) of Directors by the General Meeting, the European Central Bank issues a non-opposition notice after a review of each appointee's repute, expertise and availability. To date, no opposition notice has ever been issued by the European Central Bank in respect of a Director of Crédit Agricole S.A.

Changes within the Board and Committees in 2019

There have not been any significant changes in the composition of the Board of Directors in 2019.

At the General Meeting of 21 May 2019 the terms of four Directors were renewed for a period of three years:

- Dominique Lefebvre, Chairman of Regional Bank Val-de-France, Chairman of the FNCA, and Chairman of SAS Rue la Boétie;
- Véronique Flachaire, Chief Executive Officer of Regional Bank Languedoc;
- Jean-Pierre Gaillard, Chairman of Regional Bank Sud Rhône Alpes;
- Jean-Paul Kerrien, Chairman of Regional Bank du Finistère.

At the close of the General Meeting of 21 May 2019, the Board of Directors reappointed Mr Lefebvre as Chairman. It kept the composition of its six Specialised Committees unchanged.

Shareholder dialogue

Since the end of 2017 conference calls with principal institutional investors in Crédit Agricole S.A.'s capital and with Proxy Advisors are organised prior to Annual General Meetings. These communication moments, dedicated to Governance and the explanation of the main resolutions that will be proposed to the General Meeting, are perceived by investors as a very distinct moment of financial roadshows. They are led by the Head of Financial Communication, the Head of Compensation and Benefits and the Head of the Board's Secretariat. The presentation used to support the discussion is published on the website of Crédit Agricole S.A. The main questions and comments made on these occasions by investors and proxy advisors are communicated to the relevant Specialised Committees, which analyse them in the light of market practices, taking into account the Group's corporate governance principles. The Committees report to the Board of Directors.

Conflict of Interest Policy

Board members are subject to the applicable legal and regulatory obligations regarding conflicts of interest. Each of the Directors of Crédit Agricole S.A, as well as the non-voting directors, adhere to the Group's values and commitments described in its Code of Ethics and Code of Conduct, which illustrates these commitments through numerous case studies. The Code of Conduct can be accessed through the website of Crédit Agricole Group and is the standard of ethical and professional conduct for the Group's directors, executives and employees.

In addition, the functioning of the Board is governed by its Rules of Procedure as well as by the Director's' Code of Conduct of Crédit Agricole S.A., which state that "Directors must inform the Board of any conflict of interest, including potential conflicts of interest, in which they could be directly or indirectly involved. Accordingly, they must refrain from taking part in the discussions and voting in respect of such matters."

Refer to the glossary page 647 for the definition of the technical terms.

1.1.2. Operating Principles of the Board of Directors and Specialised Committees

Functioning

The functioning of the Board of Directors is governed by the legal provisions in force, the Board's Rules of Procedure and the Articles of Association. In carrying out its duties, the Board is supported by six Board Committees.

The Specialised Board Committees are the following:

- Risk Committee;
- United States Risk Committee;
- Audit Committee;
- Compensation Committee;
- Appointments and Governance Committee;
- Strategy and CSR Committee.

The Board's Rules of Procedure, to which are appended the Directors' Code of Conduct and, since December 2016, the Code of ethics, are appended to this report in the latest version of these documents updated in December 2018. Along with the Committees' Rules of Procedure, these documents are available on the website of Crédit Agricole S.A.: https://www.credit-agricole.com.

The Board of Directors of Crédit Agricole S.A. is entirely composed of non-executive Directors, and no severance benefit is payable to Board members upon termination of their office, irrespective of the reason.

Directors' compensation

The members of the Board of Directors receive compensation for their attendance. The conditions for allocating Directors' fees, as described below, are determined by the Board on the recommendation of the Compensation Committee.

Compensation of Board members is based entirely on their attendance at Board Meetings. Directors receive the same compensation for attending strategy retreats and special meetings, *i.e.* those not on the annual calendar, and scheduled meetings, up to a maximum of the total amount approved.

Members of the Specialised Committees are entitled to additional compensation: the Chairmen of the Board's Specialised Committees receive an annual flat-rate fee, with a differentiation according to Committee. Committee members receive a fee per meeting based on their actual attendance at Committee meetings.

Non-voting Directors receive the same compensation for attending Board Meetings and, when they are members, Specialised Committee Meetings.

The Directors' compensation package was increased from €1.4 million to €1.650 million at the General Meeting of 21 May 2019, in particular to be able to compensate additional working sessions. This is a maximum expenditure ceiling and the unused portion is returned to the budget of Crédit Agricole S.A.

The Board, on the recommendation of the Compensation Committee, decided on its distribution as follows:

- €4,000 per Board meeting;
- €2,700 per Committee meeting;
- an annual fixed amount of €20,000, allocated to the Chairs of the Compensation Committee, Appointments and Governance Committee, and United States Risk Committee, respectively;
- €35,000 flat fee for the Chairmanship of the Risk Committee;
- €35,000 flat fee for the Chairmanship of the Audit Committee.

The Chairman of the Board of Directors, Dominique Lefebvre, waived all compensation other than compensation for his role as Chairman, despite sitting on the Strategy and CSR Committee and the Appointments and Governance Committee.

Renée Talamona waived her Directors' fees both for attending meetings of the Board and of the Strategy and CSR Committee on which she sits.

The three Directors representing employees on the Board do not receive their compensation. Instead, these are paid to their unions.

The Board has also set up a system for reimbursing Board members travel expenses, based on costs incurred by each member for attending Board and Committee Meetings. This mechanism, adopted pursuant to Article R. 225-33 of the French Commercial Code, is renewed annually by the Board.

Refer to the glossary page 647 for the definition of the technical terms.

	2018	Net amount received in 2019[(1)]					
Directors	Net amount received from Crédit Agricole S.A. in 2018[(1)]	Crédit Agricole S.A. *	CACIB	LCL	Amundi	Total + other Group subsidiaries	Grand total 2019
DIRECTORS ELECTED BY THE GENERAL MEETING OF SHAREHOLDERS							
Dominique Lefebvre [(2)]	0	0	-	-		0	0
Raphaël Appert	45,011	43,121				0	43,121
Pascale Berger[(3)(4)]	33,120	29,808	-	-		0	29,808
Philippe Boujut	28,000	28,000	-	-		0	28,000
Caroline Catoire	50,681	56,350	-	-		0	56,350
Laurence Dors	64,681	72,241	-	-		0	72,241
Daniel Epron	46,900	45,011	-	-		20,244	65,255
Véronique Flachaire	45,081	53,550	-	-		0	53,550
Jean-Pierre Gaillard	50,681	58,241	-	15,400		15,400	73,641
Françoise Gri	94,850	94,850	28,770	-		28,770	123,620
Jean-Paul Kerrien	37,450	39,341	-			20,900	60,241
Monica Mondardini [(5)]	52,320	45,344	-	-		0	45,344
Gérard Ouvrier-Buffet	43,121	46,900	-	-		26,655	73,555
Catherine Pourre [(5)]	79,526	76,038	38,978			38,978	115,016
Christian Streiff	60,131	57,331	-	-		0	57,331
Renée Talamona [(2)]	0	0			0	0	0
Louis Tercinier	33,671	37,450				0	37,450
François Thibault	54,461	54,461	26,670	-		26,670	81,131
DIRECTORS ELECTED BY THE STAFF							
François Heyman[(3)(4)]	44,298	43,222	-	-	-	0	43,222
Simone Védie[(3)(4)]	13,248	33,120				0	33,120
DIRECTOR REPRESENTING THE PROFESSIONAL AGRICULTURAL ORGANISATIONS							
Christiane Lambert	19,600	8,400				0	8,400
NON-VOTING DIRECTORS							
Pierre Cambefort	8,400	28,000				0	28,000
Philippe de Waal	16,800	28,000	-	-		0	28,000
	922,031	**978,779**	**94,418**	**15,400**	**0**	**177,617**	**1.156,396**

(1) After the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.8%) and social contributions (17.2%).

(2) Do not receive any compensation.

(3) The three Directors representing employees on the Board do not receive their compensation; instead these are paid to their unions.

(4) After deductions of social contributions (17.2%).

(5) 12.8% withholding tax (non-resident in France).

** **TOTAL GROSS AMOUNT CONSUMED: €1,340,600 out of €1.65 million allocated.***

1.1.3. Governance and diversity policy

Given the size of Crédit Agricole S.A., the Board of Directors is required to comply with the provisions of the French Commercial Code governing the diversity policy it pursues within the Company, as well as ensure that a similar policy exists within the Management bodies.

Board's diversity policy

Gender balance

Crédit Agricole S.A. is subject to the provisions of Article L. 225-18-1 of the French Commercial Code, under which "the proportion of Directors of each gender may not be less than 40% in companies whose shares are admitted to trading on a regulated market".

The only exclusion provided by law concerns "Directors elected by employees", *i.e.* two Directors out of twenty-one. Pascale Berger – representing the employees of the Regional Banks under the collective agreement but having been elected directly by the shareholders at a General Meeting – is taken into account in the calculation of the 40% threshold. The same applies to Christiane Lambert – representing professional farming associations – who was appointed by the French Ministers of Economy and Finance and of Agriculture and Food, and is thus not covered by the legal exclusions.

At 31 December 2019, 9 out of the 19 members of the Board of Directors of Crédit Agricole S.A. included in the count by law were women, in other words a ratio of 47%. These are Pascale Berger, Caroline Catoire, Laurence Dors, Véronique Flachaire, Françoise Gri, Christiane Lambert, Monica Mondardini, Catherine Pourre, Renée Talamona.

Irrespective of the legal provisions, with the presence of Simone Védie the ratio remains the same, taking into account the Directors elected by employees, *i.e.* 10 women out of 21 Directors.

Refer to the glossary page 647 for the definition of the technical terms.

With the exception of the Strategy and CSR Committee – chaired by Dominique Lefebvre who is also Chairman of the Board of Directors – the five other Specialised Committees are chaired by women:

Specialised Board Committees	Chair
Risk committee	Françoise Gri
United States Risk Committee	Françoise Gri
Audit Committee	Catherine Pourre
Compensation Committee	Laurence Dors
Appointments and Governance Committee	Monica Mondardini
Strategy and CSR Committee	Dominique Lefebvre

Age and term renewal

As at 31 December 2019 the average age of Directors was 61 years. The age limit to carry out the duties of a Director is set by law at 65 years, the age being measured at the date of the nearest General Meeting after a Director's 65th birthday. The age limit for the Chairman is 67 years.

The Board of Directors does not have a policy in terms of minimum age or age balance, although regulatory requirements in terms of the profiles and expertise of Directors in the banking sector do lead to the choice of candidates with proven professional experience. In its May 2017 Guide on the assessment of the good repute and competence of managers and Directors of banking institutions, the European Central Bank considers, for example, that the presumption of competence is acquired for persons with "three years of recent practical experience in high-level management positions and theoretical experience in the banking sector". By adopting senior management experience as a criterion for approving appointments of Directors, the supervisor guides the choice for Department with a mature profile.

For its part the Board of Directors, under the guidance of the Appointments and Governance Committee, ensures that the renewal of Directors elected by the General Meeting is carried out such as to promote, in as far as possible, a balanced scheduling of the expiry dates of their terms of office. Given the average age of the members of the Board of Directors, the main reason for leaving is reaching the age limit.

The term of office of Crédit Agricole S.A. Directors as natural persons is fixed at three years by the Articles of Association. Directors may not serve for more than four consecutive terms. The table below shows the expiry dates of the terms of office of Directors elected by the General Meeting of Shareholders for the next three years.

The expiry of the terms of office of the two Directors elected by the employees of Crédit Agricole S.A. is governed by an electoral protocol.

The representative of the Professional Agricultural Organisations in the Board of Directors, Christiane Lambert, has been appointed by order of the Minister of Economy and Finance and the Minister of Agriculture and Food on 28 August 2017 for a renewable term of three years.

Expiry of the terms of office of Company Directors elected by the General Meeting

(General Meeting of Shareholders to approve the annual financial statements)

Name	General Meeting 2020	General Meeting 2021	General Meeting 2022
Dominique Lefebvre			√
SAS Rue La Boétie represented by Raphaël Appert		√	
Pascale Berger		√	
Philippe Boujut	•		
Caroline Catoire	√√√	•	
Laurence Dors	√√√	•	
Daniel Épron	√√√	•	
Véronique Flachaire			√
Jean-Pierre Gaillard			√
Françoise Gri	√		
Jean-Paul Kerrien			√
Monica Mondardini		√√√	
Gérard Ouvrier-Buffet	√		•
Catherine Pourre	√		•
Christian Streiff	•		
Renée Talamona		√√√	•
Louis Tercinier		√	
François Thibault	•		

√: Renewable term of office.
√√√: Renewable for one year.
•: End of term of office, age limit.

Knowledge and expertise

To better meet its legal obligation to assess the expertise required for its proper functioning, the Board of Directors of Crédit Agricole S.A. has defined its desired diversity policy with regard to the experience and profiles of its members in a procedural memorandum, adopted on 7 November 2017. The Board considers that the addition of individual professional experience of the Directors forms the basis of the collective competence of the Board of Directors, which French law recognises as a collegial body. This diversity contributes to the richness of exchanges within the Group in key areas of the Group's banking and insurance activities, as well as in their environment, and is a guarantee of its proper functioning.

The definition of the required profiles and experiences was adopted by the Board of Directors on the proposal of the Appointments and Governance Committee, to which the French Monetary and Financial Code (Article L. 511-98) has entrusted the task of "assessing the balance and diversity of knowledge, expertise and experience available to the members of the Board of Directors individually and collectively".

The Appointments and Governance Committee also oversees the process of recruiting new directors. In this respect, the Committee, after having identified the positions to be filled, determines the profile sought on the basis of the Board's Procedural Note relating to the profiles, skills and availability required to perform the duties of director.

In accordance with Crédit Agricole S.A.'s Listing Agreement reported in the 2001 Registration Document, Directors representing the Regional Banks are put forward by the majority shareholder. Conversely, the search for independent directors is entrusted to a recruitment firm on the basis of specifications defined by the Committee.

In all cases, the Appointments and Governance Committee reviews the knowledge, skills and experience of all candidates presented and confirms their availability and compatibility with the rules set by the Board. The nominations selected by the Committee are submitted to the Board for approval and then to the General Meeting of Shareholders.

In its mission to propose the appointment of directors, the Committee ensures that the collective competence meets in all circumstances the standards established and updated according to the needs of the Board as expressed in the annual evaluations.

The Committee is committed to identifying the knowledge that must be permanently present within the Board of Directors in order to enable it to carry out its duties under the best conditions. Above all, it has adopted the knowledge and experience recommended by the European banking authorities and has supplemented these with a requirement for permanent collective expertise within the Group in the areas of Corporate Social Responsibility.

- In terms of knowledge, the following were adopted:
  - an overall vision of the Company's activities and the risks associated with them;
  - a precise vision of each of the Company's key activities and their environment;
  - a sectoral vision of certain activities (financial markets, capital markets, insurance, solvency, and models);
  - financial accounting and auditing;
  - risk management, compliance and internal audit;
  - IT and security;
  - local, regional or global economic dimensions;
  - applicable laws and regulations;
  - Corporate Social Responsibility.
- The experience aspect encompasses:
  - company management, including experience in human resource management, marketing and distribution;
  - the management of international groups;
  - strategic planning.

By combining this approach of knowledge and experiences, the Appointments and Governance Committee was able to rank each of the items in order of importance for the proper functioning of the Board, by defining the percentage of Directors, for each of them, who must permanently have that expertise by adding individual skills in the service of collective expertise. The indicative grid resulting from this work is shown below.

Indicative grid concerning the desired balance of individual expertise required for the Board of Directors' collective expertise

	> 50% (1)	Between 30% and 50%(1)	10% to 30%(1)
1) Knowledge of the Company's activities and associated risks	√		
2) Knowledge of each of the Company's key activities	√		
3) Sectoral knowledge of certain activities	√		
▪ Retail banking	√		
▪ Asset management and insurances		√	
▪ Corporate and investment bank		√	
▪ Specialised financial services		√	
4) Knowledge of financial accounting		√	
5) Knowledge in the fields of risk management, compliance and internal audit	√		
6) Knowledge in the field of IT and security			√
7) Knowledge of local, regional or global economic environments	√		
8) Knowledge of laws and regulations		√	
9) Experience in company management	√		
10) Experience in the management of international groups		√	
11) Experience in strategic planning	√		
12) Knowledge in the field of Corporate Social Responsibility		√	

(1) Permanent percentage of Directors required having good or very good knowledge in the fields mentioned.

The criteria for knowledge and experience used in this grid are included in the individual evaluation questionnaire for members of the Board of Directors each year.

This annual procedure allows the Appointments and Governance Committee to ensure that the required expertise is always represented in the Board of Directors in the proportions defined in its procedural memorandum.

It is also an opportunity for the Committee to assess, based on the responses of the Directors, whether or not it is useful to change the indicative grid in terms of skills and/or the proportion of this expertise within the Board.

Given the year-on-year continuity in the composition of the Board of Directors, the results of the self-assessment of expertise carried out in 2019 are in line with those of 2018. They show that the Directors are satisfied with the individual expertise represented in the Board of Directors, with several Directors considering that, with respect to the changes in the profile and environment of the Group, the pending renewals in the coming years should be an opportunity to strengthen the Board's expertise in the fields of digital technology and management experience of international groups.

Refer to the glossary page 647 for the definition of the technical terms.

Based on the review of results of the individual and collective expertise of the Board of Directors by the Appointments and Governance Committee held in 2019, the collective expertise of the Board of Directors of Crédit Agricole S.A. remain similar to the profile identified in the previous financial year and are characterised by:

- the predominance of banking, finance and insurance expertise, with a high level of expertise in audit and risk;
- expert knowledge of local economies, the bedrock of the Group's business, more often combined with strong commitments to local, or even, national communities;
- experience as Directors of big corporates, mainly multi-nationals, in the service, technology and industry sectors;
- recognised players in the fields of governance and CSR.

Based on the results of the assessment campaign conducted in 2019, the Board of Directors of Crédit Agricole S.A. concluded that, in each of the areas examined, the Board permanently has several members with adequate knowledge of the subjects, and that all essential aspects of its collective expertise, as defined in its procedural memorandum, were covered.

Diversity policy within the Management bodies

The issue of gender balance in Executive bodies is discussed every year by the Appointments and Governance Committee, and subsequently by the Board of Directors, during the review of the policy on gender equality at work. This policy is the subject of an annual review by the Board, as provided for in Article L. 225-37-1 of the French Commercial Code. It covers both the general gender policy of Crédit Agricole S.A. Group as well as any information on how the Company seeks a balanced representation of women and men in its management bodies, including its feminisation rate. The results of the index on equality between women and men, published for the first time in March 2019 pursuant to Decree No. 2019-15 of 8 January 2019, are also communicated to the Board. Crédit Agricole S.A. is correctly positioned with regard to this index, with an overall score of 84/100 and scores per entity ranging from 77/100 for the lowest to 93/100 for the highest. Action plans are initiated in those entities with the lowest scores.

The main elements of Policy 2019 show an increase in the representation of women in the Circle of Senior Executives, known as "Circle 1", which represents approximately 150 executives in charge of the key divisions of Crédit Agricole S.A. or its main subsidiaries, *i.e.* 10% of the most senior positions. This representation increased from 16% to 16.5% year on year. Over a sliding year, 27% of women have joined "Circle 1".

At the instigation of the Chief Executive Officer, the feminisation of the Management Committees and/or Executive Committees of the various entities is the subject of a policy that is both proactive and non-discriminatory. On the bodies of the eleven main entities, the average rate of women's representation increased from 15% in 2015 to 28% in 2019. The feminisation rate of Crédit Agricole S.A.'s Executive Committee reached 23.5% at 1 January 2020 and includes four women out of the 17 members: the Group Human Resources Director, Group Risk Director, Group Compliance Director and the Corporate Secretary. **Looking ahead to 2022, Executive Management has set quantified targets that are shared with the Board, to increase the proportion of women to 30%.**

This increase in the number of women in decision-making bodies is accompanied upstream by specific action plans to strengthen women's talent pools. For the entire Crédit Agricole S.A. Group, a Diversity Action Plan has been in place since 2016. It integrates four levels of action.

The first level includes awareness-raising actions for all employees, with both the distribution of a "Diversity Guide" to all employees of Crédit Agricole Group as well as activities to promote and support women's networks (more than 1,500 members), currently consisting of 14 networks in France and abroad, including two established in 2019. The second level of action concerns the identification of talent and the implementation of the "Female Talent" programme, the objectives of which are to prepare young female talent to find the keys to their career development and support them in their development. In this context, 120 women were trained in 2018, assisted by an external firm.

The third level, launched in September 2017, is the deployment of mentoring by members of the Executive Committee and the Chief Executive Officers of the Regional Banks for women with potential to reach the levels of either Circle 1 or Deputy General Manager of the Regional Banks. The program is carried out in a formalised framework with the objective, in particular, of assisting beneficiaries in their career choices, and also to assist them to assert their leadership and build a network. With the launch of the third class in October 2019, 30 cross-mentoring pairs were established, bringing to 86 the number of pairs arranged since the beginning of the Mentoring Program. The satisfaction rates of the mentored persons on the quality of the exchanges with their mentor and the usefulness of this support is very high (96%).

Finally, among the executives and members of Circle 1, in 2019 thirteen women and five men attended the corporate Director IFA/Sciences-Po certification training set up in 2017. Since the introduction of the initiative, 70% of the certified persons were women and 30% men. The goal is to create a pool of Directors capable of serving on the Group's boards, as well as to represent it on external boards.

The normal procedure for identifying female talent and assisting in their development and promotion when management positions are to be filled also includes the rule of systematically including a female candidate for management positions and as a member of Circle 1. Pursuant to Article L. 225-53 of the French Commercial Code as amended by the Law of 22 May 2019, the Board of Directors has adopted a procedural note relating to the process for appointing Deputy Chief Executive Officers stating, notably, that this rule applies to them.

The 2019 roadmap to amplify the gender diversity action plan at the service of the MTP's Human Project requires, first of all, a strengthening and greater diversity of talent pools. The 22 Career Committees are made aware of this, particularly in the context of succession plans.

Lastly, in accordance with the provisions of the French law of 5 September 2018 on professional prospects, concrete measures are being put in place to gradually balance the wage gaps between men and women, including the decision to allocate an overall budget of 0.2% of the wage bill to this objective. A series of general measures are also implemented, such as HR briefings before and after parental leave.

Directors' independence

Crédit Agricole S.A. refers to the AFEP/MEDEF Corporate Governance Code for listed companies, in its latest revised version as published in January 2020 (the "AFEP/MEDEF Code"). Crédit Agricole S.A. does not comply – or does not fully comply – with certain recommendations of the Code as set out in a table appended to this section (see below).

The process for assessing the independence of Crédit Agricole S.A. Directors is implemented under the auspices of the Appointments and Governance Committee. This principle is assessed both in terms of the criteria of the AFEP/MEDEF Code and in terms of the specific texts as applicable to the banking sector, such as the European Banking Authority's Guidelines for the assessment of members of the Board of Directors, which came into effect in June of 2018. These two standards overlap to a very wide extent.

At its meeting of 4 February 2020, the Appointments and Governance Committee individually reviewed the situation of each Director, and more particularly the independent Directors, whom it had previously requested to present any significant change in their situation that could affect their independence and to confirm compliance with each criterion of the AFEP/MEDEF Code. With a view to the General Meeting of 13 May 2020, the Committee also examined the situation of Marie-Claire Daveu, Head of Sustainable Development and International Institutional Affairs of Kering Group, whose appointment as Director will be proposed to replace Christian Streiff (see above activity of the Appointments and Governance Committee). On 13 February 2020, upon the recommendation of the Committee and subject to changes in her situation of which the Board must be notified, the Board of Directors recognised her as an independent Director.

The six criteria of independence as defined by the AFEP/MEDEF Code are:

1. not being, or not having been, in the last five years:
   - an employee or Executive Corporate Officer of the Company,
   - an employee, Executive Corporate Officer or Director of a company consolidated by the Company,
   - an employee, Executive Corporate Officer or Director of the parent company or of a company consolidated by this parent company;
2. not being an Executive Corporate Officer of a company in which the Company, directly or indirectly, acts as a Director or in which an employee designated as such or an Executive Corporate Officer of the Company (currently or in the last five years) is a Director;
3. not being a customer supplier, corporate banker, investment banker, consultant (or be related to persons in this capacity):
   - who plays a significant role in the Company or its Group,
   - for whom the Company or its Group represents a significant proportion of business;
4. not having any close family ties with a Corporate Officer;
5. not having been an auditor of the Company in the last five years;
6. not having been a Director of the Company for more than twelve years; the status of independent Director is lost when the twelve years are up and not at the end of the mandate during which the Director has exceeded the 12 year term.

The Board, on the advice of the Appointments and Governance Committee, noted that the representatives of the Regional Banks on the Board of Directors of Crédit Agricole S.A. (Chairmen, Chief Executive Officers) cannot be considered as independent with regard to the above principle and criteria, insofar as the Directors representing the Regional Banks hold offices in the parent company of the Company or of a company consolidated by this parent company. The same applies to the Director representing the employees of the Regional Banks, who is an employee of an entity with a controlling interest in Crédit Agricole S.A. Irrespective of the fact that, due to their employment contract, they would not meet criterion 1, the two Directors representing Crédit Agricole S.A. employees on the Board come under a specific regulatory framework, and cannot, under the AFEP/MEDEF Code, be included in the calculation of the percentage of independent Directors.

Lastly, with regard to the professional farming associations' representative, Crédit Agricole's position as the leading financier of agriculture in France excludes said Director *de facto* from compliance with criterion 3, even if said Director's appointment by the Minister of the Economy and Finance and the Minister of Agriculture and Food is part of a regulatory process in which Crédit Agricole S.A. is not involved.

With respect to the Regional Banks Chairmen who sit on Crédit Agricole S.A. Board, the Board has reiterated, as it does every year, that they are not employees of the Regional Banks and that they legitimately hold this office by election, in accordance with the Regional Banks' cooperative status.

Upon the advice of the Appointments and Governance Committee, at its meeting of 13 February 2020 the Board of Directors found that six Directors meet the independence criteria of the AFEP/MEDEF Code:

- Caroline Catoire;
- Laurence Dors;
- Françoise Gri;
- Monica Mondardini;
- Catherine Pourre;
- Christian Streiff

The Board's composition, with one-third independent Directors, not including employee Directors, fulfils the recommendations of the AFEP/MEDEF Code on controlled companies.

In addition to a formal review of their individual situation, updated by each interested party for each criterion, the assessment was also based, after the recommendation of the Appointments and Governance Committee, on the findings of an analysis concerning existing business relations between Crédit Agricole Group and the companies in which the independent Directors hold positions (in accordance with Chapter 2.2 "Offices held by Corporate Officers"). The analysis of these business relations is carried out with the support of experts from the Group Risk Department, which is based on the consolidated data available to it on the Group's relationship with its counterparties. It excludes the assets structures of the persons concerned as well as those through which they may carry out advisory activities, none of them carrying out assignments for the Group in this capacity pursuant to the rules relating to conflicts of interest.

As banking is, by definition, at the heart of the financing of the economy and in view of the characteristics of the French banking market, whenever the companies concerned are based in France, the probability that these companies are customers of a Crédit Agricole Group entity is obviously high, often increasing with the size of the company.

Consequently, in order to assess the "significant" nature of the business relationship, the following are taken into account:

- the amount and nature of the commitments, their maturity, their significance within the company's debt, and the refinancing capacity of company in question;
- the quality of the relationship with the company in question, in particular its financial position as demonstrated by its results and ratings (Banque de France and internal rating), in order to check whether it depends on Crédit Agricole for financing or whether it would be able to obtain financing from other banks or through other means – including via the market – in the event of Crédit Agricole's withdrawal.

By making sure that the business relationship is balanced, *i.e.* that neither of the parties is in a position of power over the other, this last phase adds a determining qualitative dimension to the overall assessment.

Refer to the glossary page 647 for the definition of the technical terms.

In anticipation of the General Meeting of 13 May 2020, analyses were performed for each of the independent Directors of Crédit Agricole S.A. concerning business relations with companies in which they hold positions or have ties. These were:

Caroline Catoire	■ Roquette Group ■ C2A Conseil
Laurence Dors	■ Capgemini ■ EGIS Group
Françoise Gri	■ Edenred S.A. ■ WNS Services
Monica Mondardini	■ CIR Group
Catherine Pourre	■ SEB ■ Bénéteau ■ CPO Services
Christian Streiff	■ Sogefi ■ Zeplug ■ Expliseat

Based on the results of this analysis, on the recommendation of the Appointments and Governance Committee, the Board has deemed that the Group's commitments vis-à-vis these companies:

- were either not significant enough to qualify as situations of dependence on Crédit Agricole;
- or, after further analysis of these companies' financial position, revealed a balanced business relationship with these counterparties, with neither of the parties having the ability to exert influence over the other.

The Appointments and Governance Committee reiterated that, under all circumstances, should the Directors concerned be called upon to give an opinion on a matter in which there is a potential conflict of interests, said Directors must abstain from attending the debate and taking part in the vote, as required by the rules of good governance of Crédit Agricole S.A. and the Directors' Code of Conduct.

Assessment of the Board of Directors

Each year, the Board of Directors assesses its composition and functioning on the basis of responses to two questionnaires:

- one on its composition, organisation and functioning, recommended by the AFEP/MEDEF Code and for the banking sector meeting a legal obligation as defined in Article L. 511-100 of the French Monetary and Financial Code;
- the other on the knowledge, expertise and experience of the members of the Board of Directors, both individually and collectively, still in accordance with the aforementioned article of the French Monetary and Financial Code (see "Diversity policy" above).

Under the AFEP/MEDEF Code, the Board of Directors delegates these tasks to an external firm once every three years. In 2019 they were carried out in the form of self-assessment, the questionnaires used being very similar to those of 2018.

The generally positive assessment of the functioning of the Board already made by its members in 2018, the absence for the second consecutive year of an "unsatisfactory" rating and the decrease in the number of "moderately satisfactory" responses was confirmed in financial year 2019. Ten questions received a 100% "satisfactory" or "very satisfactory" score, including work atmosphere, ease of access to information and management, facilitation and conduct of discussions by the Chairman, the debate on topical issues presented in a systematic manner in the introduction to each Board by the Chief Executive Officer, and the services of the Secretariat of the Board.

In order to propose further improvements in the operation of the Board, the Appointments and Governance Committee analysed the questionnaire responses by classifying them into three categories:

- suggestions made in the context of questions that received more than 20% "moderately satisfactory" responses;
- suggestions made in the context of questions that received between 10% and 20% "moderately satisfactory" responses;
- other specific suggestions relating to the Board, and those relating to the functioning of the Committees.

Responses and proposals were formulated by the Committee for each of the remarks and suggestions made by the members of the Board.

The question with the highest number of "moderately satisfactory" responses was the time spent on the strategy with regard to so-called regulatory risk monitoring topics. The response rate of "moderately satisfactory" dropped by more than half from one year to the next, with the Board's strong involvement in the preparation and monitoring of the new Group Project significantly contributing to the improvement in this positive perception. The Directors acknowledged the efforts made to strike a balance between the Board's two main missions, namely defining strategic orientations and monitoring risks with, for the latter, presentations highlighting their strategic impact. In order to continue this effort, and noting the difficulty of further increasing the number of Board and Specialised Committee meetings (52 in 2019), the Appointments and Governance Committee proposed to optimise this "strategic time" by relying equally on Board meetings and on training sessions and seminars.

Training of the Board of Directors

Article L. 511-53 of the French Monetary and Financial Code provides that credit institutions and finance companies must set aside the necessary human and financial resources for Director training. For collective training sessions, the programme is set after consultation of Directors on their wishes. Individual training sessions answer to requests or needs of Directors at the moment of annual self-assessment campaign.

In 2019, all Directors as well as both non-voting Directors and the representative of the Social and Economic Committee attended at least one of the offered training events:

- the macroeconomic environment and geopolitical trends and the macroeconomic impacts of Brexit; attended by 15 Directors, both non-voting Directors and the representative of the Social and Economic Committee;
- updating of legislative and regulatory developments, in particular in the prudential field but also in the field of governance: attended by 17 Directors, both non-voting Directors and the representative of the Social and Economic Committee;
- developments in information systems and data processing: attended by 19 Directors, both non-voting Directors and the representative of the Social and Economic Committee.

In its meeting on 1 October 2019 the Board approved its training programme for 2020, which includes, in addition to individualised training and Committee training, collective sessions on the following themes:

- a session dedicated to topical issues related to new monetary theories on the one hand and to the strengths and weaknesses of global banking models in the face of the new global paradigms on the other hand;
- a session dedicated to the regulatory update, particularly in the banking sector and the emergence of cryptocurrency;
- a session dedicated to cybersecurity.

1.1.4. Other information required under Article L. 225-37-4 of the French Commercial Code

Restrictions imposed by the Board of Directors on the Chief Executive Officer's powers

The Chief Executive Officer is vested with the broadest powers to act in all circumstances on behalf of Crédit Agricole S.A. and to represent the Bank toward third parties. He exercises his authority within the limits of the Company's object and subject to that authority expressly assigned by law to Meetings of Shareholders and to the Board of Directors.

The only limitation that the Board of Directors places on the powers of the Chief Executive Officer, as set out in its Rules of Procedure of the Board, is that the Chief Executive Officer must obtain its prior approval for the following transactions:

- the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for amounts exceeding €150 million;
- any other investment of any kind for amounts exceeding €150 million.

Agreements between Corporate Officers and subsidiaries

No agreements other than those entered into under normal conditions or relating to ordinary transactions and regulated agreements covered by Articles L. 225-38 *et seq.* of the French Commercial Code (see below), have been entered into, directly or through an intermediary, between, on the one hand, one of the Corporate Officers or one of the shareholders holding more than 10% of the voting rights of a company and, on the other hand, another corporation controlled by the former within the meaning of Article L. 233-3.

Procedure for auditing regulated agreements and agreements relating to current operations and concluded under normal conditions

In accordance with Article L. 225-39 of the French Commercial Code, the Board has established an internal procedure for qualifying the agreements entered into between the Company and the individuals or legal entities referred to in Article L. 225-38 of the French Commercial Code. It is available on the Crédit Agricole S.A. website: (section on Governance).

This procedure defines the criteria used by Crédit Agricole S.A. to determine which agreements are subject to the legal regime of prior authorisation of regulated agreements in accordance with the provisions of Article L. 225-38 of the French Commercial Code and those subject to the unregulated agreement regime. The criteria were adopted by the Board at its meeting of 13 February 2020. In the absence of any commercial activity, they take into account both its legal duties as the central body of Crédit Agricole, as defined in Articles L. 511-30 et seq. and L. 512-47 et seq. of the French Monetary and Financial Code, and its role as the holding company for the business line subsidiaries of Crédit Agricole S.A. Group.

The procedure provides for an annual review of unregulated agreements entered into during the year by the Audit Committee, which reports to the Board of Directors on the implementation of the procedure for regularly assessing whether agreements relating to current operations and entered into under normal conditions meet these conditions.

Principles and rules laid down by the Board of Directors to determine the compensation and benefits in kind awarded to Corporate Officers

This information can be found in the section on "the reward policy" of this Universal Registration Document.

Areas of non-compliance with the AFEP/MEDEF Code

The areas of non-compliance with the AFEP/MEDEF Code are shown in the summary table below. Such areas of non-compliance are not mentioned when they stem from the implementation of banking laws or regulations.

Recommendation of the Code	Comment by the Company
BOARD AND COMMITTEES MEETINGS 11.3 It is recommended that a meeting be held each year without the presence of Executive Corporate Officers.	The Board of Directors of Crédit Agricole S.A. does not hold any plenary meetings without the presence of Executive Corporate Officers. The potential need is considered by the Appointments and Governance Committee. As a reminder, the Board of Crédit Agricole S.A. is exclusively composed of non-executive Directors. However, the Risk Committee and the Audit Committee each hold an annual meeting without the presence of Executive Corporate Officers and Statutory Auditors. It should be recalled that the individual and collective performance of Executive Corporate Officers is evaluated in detail on an annual basis by the Compensation Committee as part of the system governing Corporate Officer compensation approved by the Board. The presentation to the Board by the Committee Chairwoman of the findings of this assessment, along with the Board's discussion on the elements of the Executive Corporate Officers' compensation, take place in the absence of the Executive Corporate Officers, in accordance with Article 18.3 of the AFEP/MEDEF Code.
THE COMMITTEE IN CHARGE OF SELECTION OR APPOINTMENTS **17.1 Composition:** "(It) should have a majority of independent Directors."	The Appointments and Governance Committee is chaired by an independent Director. It comprises six members, including the non-executive Chairman of the Board of Directors, and two independent Directors *i.e.* a proportion of one-third. The shareholding structure (existence of a majority shareholder) is reflected in the composition of this Committee.

Refer to the glossary page 647 for the definition of the technical terms.

Recommendation of the Code	Comment by the Company
SHARE OWNERSHIP BY DIRECTORS AND EXECUTIVE CORPORATE OFFICERS: **20. Ethical standards applicable to Directors:** "… the Director should personally be a Company shareholder and, in accordance with the provisions of the Articles of Association or Rules of Procedure, hold a minimum number of shares that is material in relation to the allocated compensation." **23. Obligation to hold shares** "The Board of Directors sets the minimum number of shares that Executive Corporate Officers are required to hold as registered shares until the end of their term of office. This decision is reviewed at least every time they are reappointed. (…) So long as the shareholding target has not been reached, Executive Corporate Officers allocate that portion of their option exercises or performance share awards as determined by the Board for this purpose. This information is included in the Company's annual report."	The Company's Articles of Association set the minimum holding of Crédit Agricole S.A. shares by a Director at one share. No provision is made in this regard for Executive Corporate Officers. Any change would need to be approved by an Extraordinary General Meeting called to amend the Articles of Association, something that no Director or shareholder has requested to date. The number of shares held by each Director is disclosed in this report, in the section "Offices held by Directors and Corporate Officers". The average number of shares held is around 2,182. At an annual average share price of €11.09, this amounts to a value close to the net amount paid for 11 annual Board meetings. As regards Executive Corporate Officers more specifically, it should be borne in mind that: ■ unlike the practice observed in most big companies in the CAC 40, the Corporate Officers of Crédit Agricole S.A. do not receive stock options and, until now, did not receive performance shares, which were proposed to the 2020 General Meeting; ■ under current regulations, a significant portion of their variable compensation is deferred and paid in the form of instruments linked to Crédit Agricole S.A. share price.
22. Termination of employment contract in the case of a corporate office "It is recommended, when an employee becomes a Company Executive Corporate Officer, to terminate their employment contract with the Company or a Group company, either by means of contractual termination or resignation. [(1)] This recommendation applies to the Chairman, Chairman and Chief Executive Officer, and Chief Executive Officer in companies with Boards of Directors [...]."	Upon the appointment of Philippe Brassac as Chief Executive Officer of Crédit Agricole S.A. from 20 May 2015, the Board of Directors authorised, at its meeting of 19 May 2015, the maintenance of his employment contract and its subsequent suspension during his term of office. The termination of his employment contract would have deprived him of the rights arising from the performance of his employment contract that were progressively built up over the course of his 33-year career with the Group and, in particular, benefits obtained by virtue of seniority and length of service, notably in terms of long-term benefits – such as membership in group schemes – and the right to termination payments. The overall amount of such payments would not, in any event, exceed two years of gross compensation in accordance with the recommendations of the AFEP/MEDEF Code. The Board considered that this is an appropriate approach to give Group employees who have made a major contribution to its development the opportunity to access high-standing offices, thereby fostering the sustainable management of the Group's human resources.
25. Compensation of Executive Corporate Officers **25.5.1 Departure of Executive Corporate Officers – General Provisions** **Termination payments:** "The law gives a major role to shareholders since the predefined termination payments granted to Executive Corporate Officers are subject to the procedure applicable to related-party agreements. The law imposes total transparency and makes termination payments conditional upon performance conditions. The performance conditions set by Boards for these payments must be assessed over at least two financial years. They must be stringent and solely allow the award of termination payments in the event of the forced departure of an executive, irrespective of its form."	■ **For the Deputy Chief Executive Officer:** his term of office contract, also approved by the General Meeting in respect of related-party agreements, does not provide for performance conditions, insofar as the termination payments for which he would be eligible in the event of his contract being terminated would not be due under his mandate contract, but under his employment contract, which is suspended during the exercise of his mandate and would be reactivated in the event of termination of his directorship. The introduction of performance conditions would, in this case, be contrary to labour law.

(1) "Where the employment contract is upheld, it is suspended in accordance with case law".

1.2 BOARD ACTIVITIES IN 2019

1.2.1. Board activities

The Board was very active in 2019, with 11 plenary meetings, including a strategic seminar on 23 January 2019, dedicated to the Group's strategic approach and the PMT business lines.

In 2019, Directors' attendance rate remained very high, averaging 93% (see attendance table below) reflecting the strong commitment of all Directors, which has not waned from one year to the next.

Bodies	Attendance rate	Number of meetings in 2019
Board of Directors	93%	11 (including 1 seminar)
Risk Committee	94%	7
Audit Committee	98%	8
Joint Risk/Audit Committees	100%	8
United States Risk Committee	100%	4
Compensation Committee	94%	6
Strategy and CSR Committee	95%	3
Appointments and Governance Committee	97%	5

The Board's relations with management bodies and succession planning for key functions

Under the authority of the Chief Executive Officer, the organisation of Crédit Agricole S.A.'s management is structured around an Executive Committee and a Management Committee (see pages 169-170). The relationship between the Board of Directors and Executive Management is expressed foremost in the regular and numerous contacts between the Chairman and the Chief Executive Officer. In addition, the latter, as well as the Deputy Chief Executive Officer, the Deputy General Manager, Chief Financial Officer and the Corporate Secretary, attend all Board meetings. In addition, members of management have frequent exchanges with the Board, which appreciates the ease of access to information and management, as it noted during the evaluation of its functioning, both for the Board itself and for its Specialised Committees. In 2019 and early 2020, all members of the Executive Committee had the opportunity to access the Board of Directors or its Specialised Committees. Depending on the topic, the heads of technical divisions participated in the Board's mettings such as the Head of CSR, who participated in one meeting of the Board, the training sessions and the Risk Committee.

In accordance with banking regulations and pursuant to its Rules of Procedure, the Board interacts on a very regular basis with the three heads of control functions who are also members of the Executive Committee. The latter have regulatory and, if necessary, direct access to the management body in its oversight functions. All three are appointed after consulting the Board and may not be removed without its agreement. In 2019, as in previous years, the Heads of control functions reported very regularly on their activities and the results related to their responsibilities to the Board and its Specialised Committees. Within this framework, and in addition to systematic attendance at Risk Committee Meetings, the Group Chief Risk Officer attended seven out of ten Board meetings, while the Chief Compliance Officer and the Head of Group Control and Audit, in charge of periodic control, each attended two Board meetings. The work of the Group Control and Audit function was presented in April 2019 by the Head of Group Control and Audit, while the Audit Plan for 2020, previously reviewed by the Risk Committee and, for financial projects, by the Audit Committee, was presented in November 2019.

The organisation of Executive Management and changes in its composition meet the Group's strategic needs. To date, the Executive Committee is composed of 17 members, including the Chief Executive Officer, the Deputy Chief Executive Officer, the four Deputy General Managers in charge of the Central Support Functions, the Head of Human Resources and the Corporate Secretary, the four Deputy General Managers of the business lines, as well as the Director for Italy and the three Heads of Control Functions.

The main developments within the Executive Committee were:

- Philippe Dumont, as Deputy General Manager of Crédit Agricole S.A. in charge of Insurance, replacing Fréderic Thomas, who has claimed his pension rights;
- Philippe Dumont was replaced by Stéphane Priami as Deputy General Manager of Crédit Agricole S.A. in charge of Specialised Financial Services;
- Serge Magdeleine, as Group Head of Digital and IT Transformation with an expanded perimeter compared to his predecessor, Eric Baudson;
- Alexandra Boleslawski, appointed Group Chief Risk Officer in order to replace Hubert Reynier, who took up an International post;
- Martine Boutinet, appointed Group Head of Compliance to replace Stéphane Priami;
- lastly, Véronique Faujour has been appointed Corporate Secretary of Crédit Agricole S.A., replacing Jérôme Brunel, who has claimed his pension rights.

In accordance with the provisions of the Rules of Procedure of the Board of Directors, the appointments of the Group Chief Risk Officer and the Group Head of Compliance were made on the recommendation of the Chief Executive Officer and were approved by the Board after prior evaluation and review by the Appointments and Governance Committee and the Risk Committee.

In addition to its direct involvement in the process of appointing the Heads of the three control functions, the Board of Directors remains attentive to the existence of succession plans for all functions identified as "key functions" of Crédit Agricole S.A. Group, namely the functions present within the Executive Committee but also within the Management Committee. The identification process is carried out by the Human Resources department with the support of Career Committees. The report was presented to the Appointments and Governance Committee of 15 October 2019, which accounted for it to the Board of Directors on 7 November 2019.

In 2019 the presentation of succession processes and plans was focused on the members of the Executive Committee. The Board of Directors estimates that, through the dual internal pool of Chief Executive Officers of the Regional Banks and the Managers of subsidiaries or business lines, as well as through possible external recruitment facilitated by the Group's good external image, there exist serious and credible succession assumptions for each of the key functions.

Topical debates

In addition, in 2019 the Board remained highly attentive to the Company's economic, political, regulatory and international climate, which has been the subject of discussions and exchanges with the Executive Management at each of its meetings. For this reason, the Board focused particular attention on the following:

- the impact of the ECB's non-conventional policy and in particular the paradigm shift with the persistence of low or even negative interest rates;
- to the credit engagement that it generates in France for both businesses and individuals, its management by the Group in the context of the attention paid to it by the supervisory authorities;

Refer to the glossary page 647 for the definition of the technical terms.

- the prospects for the possible consolidation of banks in Europe, globally or by business line, their impact on Crédit Agricole and the available options;
- the effects of international trade tensions and the competitive environment;
- the Brexit deadlines and the Group's state of preparedness for the various scenarios;
- regulatory developments and, in particular, the impact of the implementation of Basel 4;
- the change of attitude on the part of Europe towards the GAFAs and their Asian counterparts regarding the creation of a pan-European digital payment solution.

Strategic orientations

As part of its responsibilities related to the strategic orientation of the Company's activities, the Board organised its work around two main themes:

- definition of the orientations of the new Group Project and the 2022 Medium-Term Plan;
- structural transactions (sale and purchase transactions).

With regard to the Project of the Group and MTP 2022, which started in August 2018, the Board of Directors dedicated its 23 January 2019 strategy seminar to this matter and followed up on it at each meetings until it approved it at its meeting of 5 June 2019. The definition of purpose that is non-statutory but binding both internally and to its stakeholders, guided the construction of the Plan based on three pillars:

- the Customer Project, or relational excellence, with the ambition to become the preferred bank for individuals, entrepreneurs and companies;
- the Human Project, based on individual responsibility in close contact with the employees, in the context of greater trust and confidence;
- the Social Project, pursuing the mutualist commitment to development for the benefit of all and making green finance one of the keys to the Group's growth.

The Project of the Group is supported by three major levers in line with the previous PMT Strategic Ambition 2020, whose objectives were achieved a year ahead of schedule: growth in all of the Group's markets, the development of revenue synergies and investment in technologies to further improve efficiency.

With regard to structural operations, among those that gave rise to a public communication, the Board's work focused in particular on the following:

- the agreement between Crédit Agricole S.A. and Santander to bring their institutional custody and asset servicing activities closer together within CACEIS;
- the acquisition of KAS Bank in the Netherlands by CACEIS;
- the renewal of the partnership on the Italian consumer credit market between Crédit Agricole Consumer Finance (CA Consumer Finance) and Banco BPM in December 2018, under which Agos took over Banco BPM subsidiary ProFamily S.p.A.;
- further disengagement of the interest of Crédit Agricole Corporate and Investment Bank in BSF (Banque Saudi Fransi), of which 10.9% has been sold in 2019;
- various partnership transactions, such as those entered into between Crédit Agricole Assurances and Credito Valtellinese in Italy and with Abanca in Spain for non-life insurance, and between Crédit Agricole Consumer Finance with Bankia, between Amundi and Banco Sabbadell and, lastly, the project of Amundi to establish a subsidiary in China together with Bank of China.

Results and risk monitoring

The quarterly review of the consolidated financial statements of Crédit Agricole Group and Crédit Agricole S.A. Group provided the Board of Directors with an opportunity to assess the orientations and engagement of the Group's commercial activities and its prudent management. Each quarter, the results confirmed the qualities of the universal customer-focused banking model, with a positive scissors effect in all business lines, *i.e.* revenues rising faster than charges and faster than the declining cost of risk. This performance reflects both the intrinsic qualities of the business lines and their ability to interact with each other to generate synergies.

In accordance with Article L. 228-40 of the French Commercial Code, the Board gave its consent for the 2019 bond issue programme, approving the related authorisations and receiving regular progress reports.

During each quarterly review, but also at each meeting of the Risk and Audit Committees, the Board closely monitored the Group's prudential ratios, both in terms of solvency and liquidity. The Crédit Agricole Group remains one of the best capitalised systemic institutions in Europe, with a prudent risk profile. This solidity was confirmed by S&P in 2019 with the long-term rating A+ of Crédit Agricole with a stable outlook, the highest rating for banking institutions in France. The rating agency justified this stable outlook by the Group's financial strength, its low risk profile associated with a high diversification of exposures, as well as its risk retention capacity. Moody's and Fitch long-term credit ratings were upgraded from A1 to A3 with a stable outlook.

More generally, as part of its risk oversight role, the Board reviewed the risk situation at least quarterly, either at the time of a special item on the agenda or at the time of the systematic report drafted by the Chair of the Risk Committee at each of its meetings.

Upon the recommendation of the Risk Committee, it regularly reviewed and approved the strategies and policies governing risk-taking, as well the management, monitoring and reduction of the risks to which the Group is, or could be, exposed.

On this basis, it reviewed and/or approved risk management and control tools and systems as well as their consistency, in particular consistency between instruments such as the Annual Internal Control Report (RACI), the Risk Appetite Statement, the Internal Capital Adequacy Assessment Process (ICAAP) and the Internal Liquidity Adequacy Assessment Process (ILAAP) statements. The Board also examined the Resolution Plan and the Recovery Plan, of which it approved the update. The Board approved in particular the building and monitoring of ICAAP, the process for assessing internal capital adequacy, to which its Risk Committee is closely associated. The Board approved it on the basis of a reasoned opinion from the Risk Committee.

The budget discussion in the Board of Directors is structured around both the central scenario and stressed scenarios. The risk appetite statement (RAF), which is based on the budgetary projections, was agreed by the Board in December, together with the budget for 2020.

Based on all of the information submitted to the Board in 2019, enabling it, in particular, to understand the way in which the institution's risk profile interacts with the tolerance level, the Board judged that the risk management measures set up by the Group were appropriate to its profile and strategy.

The Board was kept informed – either directly or through the Chairwomen of the Risk and Audit Committees of the results of the various oversight tasks conducted by the ECB within the Group and/or the requests sent by the supervisory authority to the Executive Management of Crédit Agricole S.A. In this context, it was informed of the results of the Stress Test Liquidity conducted by the ECB in 2019 with around 20 systemic institutions, which showed that the Group's resilience to the scenarios of the exercise was very good.

In the context of relations with the supervisor, the Chairman, the Vice-Chairman, the Chairmen of the Risk Committee and of the Audit Committee participated with Executive Management in coordination meetings with the ECB, in particular in the context of the annual "SREP" (Supervisory Review and Evaluation Process) exercise. Representatives of the BCE-ACPR joint supervision team have also reviewed the Chairs of the Risk and Audit Committees and also attended a joint Risk and Audit Committee meeting.

In the field of Corporate Social Responsibility, the Board was informed by the Chairman of the Strategy and CSR Committee of the 2019 highlights in this area, as well as the main changes envisaged in the commitment of Crédit Agricole S.A. to Climate Financing. Given the place of the Societal Project in the new MTP and the growing importance of CSR issues, the Strategy and CSR Committee will hold additional meetings dedicated to it in 2020 and will inform the Board of Directors accordingly.

Lastly, on the basis of a report from the Compensation Committee, the Board set the new objectives for the Executive Corporate Officers for 2020, revised in line with the new MTP, as well as their overall compensation conditions, taking into account the changes made by the Law of 22 May 2019 regarding the portability of pension rights. In their absence, and following the report from the Chairwoman of the Compensation Committee, the Board reviewed, the Executive Corporate Officers' individual variable compensation and its elements, as well as the 2019 compensation and total variable compensation available to identified staff, were approved by the Board on 13 February 2020 in light of the General Meeting of 13 May 2020.

Regulated agreements

In respect of its legal missions defined by the French Commercial Code, the Board notably authorised a regulated agreement governed by Articles L. 225-38 et seq. of the French Commercial Code.

This involves the sale to Crédit Agricole Corporate and Investment Bank of the class "C" Visa Inc. preferred shares held by six Group entities, due to the presence of Directors and Officers common with the Group companies that are signatories to the agreement.

Moreover, in accordance with the provisions of Article L. 225-40-1 of the French Commercial Code, in its meeting of 17 December 2019, the Board conducted an annual review of all the agreements signed and authorised in previous financial years and which remained in effect in 2019:

1. the Master Agreement signed on 8 June 2018, and authorised by the Board on 14 May 2018, the purpose of which is to organise the combination of certain IT infrastructure and production activities within a new entity, Crédit Agricole Group Infrastructure Platform (CAGIP);
2. the Liability Guarantee Agreement granted to SILCA on 21 November 2018, authorised by the Board of Directors on 6 November 2018, for a period of 36 months;
3. the supplemental agreement signed on 10 October 2017 authorised by the Board of Directors on 2 August 2017 to the senior loan agreements underwritten by the Regional Banks with Crédit Agricole S.A. in the context of Operation Eureka;
4. the framework agreement guaranteeing equity-accounted values, signed on 16 December 2011 by Crédit Agricole S.A. and the Regional Banks (the so-called "Switch Guarantee", including CCA/CCI and Insurance), which was the object of a first supplemental agreement authorised by the Board on 10 December 2013, revisited by the Board when authorising its second supplemental agreement on 17 February 2016 and its third supplemental agreement on 19 May 2016;
5. the tax consolidation agreement signed on 17 December 2015 between Crédit Agricole S.A. and the Regional Banks, subject to an amendment authorised by the Board of Directors on 19 May 2016;
6. the agreement to transfer Crédit Agricole S.A.'s MSI business to Crédit Agricole Corporate and Investment Bank, authorised by the Board on 19 March 2017 as part of the sale of part of its IT business, which continues to take effect during the transitional period and the guarantee clause;
7. the tax consolidation agreement signed by Crédit Agricole S.A. and SACAM Mutualisation, authorised by the Board on 19 May 2016, stipulating that the tax savings generated within the Group by intragroup dividends received by this entity are to be fully allocated to that entity;
8. the tax consolidation agreements authorised by the Board on 21 January 2010 and renewed by the Board on 17 December 2015 between Crédit Agricole S.A. and SAS Rue La Boétie, SAS Ségur, SAS Miromesnil and, lastly, several SACAMs, which were also the object of supplemental agreements authorised by the Board of Directors at its meeting on 19 December 2016;
9. the tax consolidation agreement signed in 1996 between the CNCA and Indosuez, now Crédit Agricole S.A. and Crédit Agricole Corporate and Investment Bank respectively, renewed on 22 December 2015, which was the object of a supplemental agreement authorised by the Board of Directors at its meeting on 7 November 2016;
10. the agreement on the increase in the capital of Crédit Agricole Corporate and Investment Bank, authorised by the Board on 9 March 2004, under which Crédit Agricole S.A. subscribed to an issue of deeply subordinated notes (TSS) that were partially redeemed in 2014;
11. the temporary distribution agreement between Crédit Agricole S.A. and Crédit Agricole Corporate and Investment Bank for payment of the Euribor fine of €114,654,000, authorised by the Board of Directors in its Meeting of 20 January 2017 and signed on 27 February 2017 between Crédit Agricole S.A. and Crédit Agricole Corporate and Investment Bank, pursuant to which Crédit Agricole S.A., pending the appeal decision, will the full amount of the fine that the two companies were jointly and severally ordered to pay;
12. the Billing and Collection Agreement ("Billing Mandate") entered into between Crédit Agricole S.A. and Crédit Agricole Corporate and Investment Bank in connection with the transfer of Crédit Agricole S.A.'s IT activities. (MSI) to Crédit Agricole Corporate and Investment Bank's Global IT (GIT) business under the terms of which, for a transitional period of six to twelve months, Crédit Agricole S.A. invoices and collects the Services performed by GIT on behalf of certain entities.

1.2.2. Summary of the main matters reviewed by the Board in 2019 after review by, advice from and/or on the recommendation of the Specialised Committees

1) After analysis by the Audit Committee:

- approval of the annual financial statements and review of the half-yearly and quarterly financial statements of Crédit Agricole S.A., Crédit Agricole S.A. Group, and Crédit Agricole Group; at each reporting date, the Board heard from the Company's Statutory Auditors who, having presented the findings of their work to the Audit Committee, then presented them to the Board, together with their reports for each interim reporting date; the Board also looks at and, where necessary, approves the draft press releases published by the Company;
- particular attention has been paid to the effects of regulatory changes in terms of mandatory reporting;
- the Group's goodwill position;
- the budget of Crédit Agricole S.A. Group;
- work to prepare for the replacement of E&Y in 2024, with a view to ensuring the harmonisation of the Board of Statutory Auditors within Crédit Agricole S.A. and in subgroup consolidation.

2) After analysis by the Risk Committee:

- the financial projections of the new MTP;
- the developments in Crédit Agricole S.A.'s and Crédit Agricole Group's position in terms of shareholders' equity and solvency, with particular attention to the Internal Capital Adequacy Assessment Process (ICAAP); the Board also has the Internal Liquidity Adequacy Process (ILAAP) Statement and, upon reasoned opinion of the Risk

Refer to the glossary page 647 for the definition of the technical terms.

Committee, the relative Internal Capital Adequacy Assessment Process (ICAAP);
- the results of the liquidity stress tests of the LiST exercise conducted by the ECB;
- the results and effects of the annual SREP (Supervisory Review and Evaluation Process);
- the Crédit Agricole Group Risk Appetite Statement;
- the developments in the Group's liquidity situation, the Liquidity Emergency Plan, the short-term half-yearly limits, as well as the monitoring of the implementation of the financing programme of Crédit Agricole Group;
- Group limits in respect of GIRR, foreign exchange, VaR (Value at Risk) limits and limits for capital market activities;
- the mechanism implemented by Crédit Agricole Group to comply with the regulation transposing Section 619 of the Dodd-Frank Act (the "Volcker Rule") by the US authorities as from 1 January 2020;
- the management of the securities portfolio of Crédit Agricole S.A. Group;
- the Annual Internal Control Report and half-year interim information on internal control, coordinated by the Group Risk Management department;
- letters sent to the Company by regulators mentioning the obligation to inform the Board and measures taken to respond to their observations;
- annual, half-yearly and quarterly developments, respectively, in terms of credit risk, market risk, and operational and security risks, as well as the risk dashboard;
- the update of the Group's recovery plan;
- the monitoring of the OFAC Remediation Plan and its timetable;
- approval of risk strategies;
- in compliance/legal matters, semi-annual and annual compliance reports, the guidelines of the Sapin II anti-corruption mechanism, the status of ongoing litigation and administrative investigations;
- the proposed appointments of the Group Chief Risk Officer and the Group Chief Compliance Officer.

3) After analysis by the US Risk Committee:

- the Emergency Liquidity Plan for Group businesses in the United States, as well as the framework for liquidity and credit risk appetite;
- the update of the organisation and management on consolidated risk of the entities in the United States;
- the results of the ROCA (Risk, Operations, Compliance and Asset Quality) supervision exercises of the U.S. entities subject to it.

4) After analysis by the Strategy and CSR Committee:

- proposed acquisitions and disposals (see below);
- monitoring the work started under the new Strategic medium term plan;
- the integrated report, Company's 2022 CSR performance and the challenges for 2022, as well as the structure of the Vigilance Plan and the annual statement to the UK authorities under the Modern Slavery Act.

5) After analysis by the Compensation Committee:

- the fixed compensation, annual personal variable compensation, and the terms and conditions and criteria used to determine the annual variable compensation of the Executive Corporate Officers (Chairman, Chief Executive Officer and Deputy Chief Executive Officer), taking into account regulatory provisions;
- the replacement system for the new pension scheme for executive managers;
- the update of the compensation policy of Crédit Agricole S.A. Group;
- the distribution of the total compensation package of the Directors;
- under regulatory provisions, the report on the compensation of members of the executive body as well as identified staff whose professional activities have a significant impact on the Company's risk profile;
- capital increase reserved for employees.

6) After review by the Appointments and Governance Committee:

- the results of the self-assessment of the operation of the Board and its individual and collective expertise, and possible ways of improving governance;
- the proposed appointments of the Group Chief Risk Officer and the Head of Group Compliance;
- the procedure for electing a Director representing employee shareholders;
- independence of Directors under the AFEP/MEDEF Code and areas of non-compliance with this Code;
- the progress made on succession plans for key functions within Crédit Agricole S.A.;
- the Board training programme for 2020;
- the policy on professional equality and equal pay within Crédit Agricole S.A. and initiatives undertaken at Crédit Agricole S.A. Group level to promote professional equality, diversity, and equal representation in the management bodies.

7) Other issues reviewed by the Board include:

- in the context of the legal work of Crédit Agricole Group central body, the approval of the Chief Executive Officers of Regional Banks and Deputy General Managers;
- the authorisation of regulated party agreements (see below).

1.3 ACTIVITIES OF THE SPECIALISED COMMITTEES OF THE BOARD

1.3.1. Operating principles of the Committees

Six Committees are in place within the Board of Directors: the Risk Committee, the United States Risk Committee established in 2016, the Audit Committee, the Compensation Committee, the Appointments and Governance Committee and the Strategy and CSR Committee. The United States Risk Committee was set up in response to a US regulatory requirement applicable, as from 1 July 2016, to foreign banks operating in the United States and meeting certain asset threshold criteria.

Committee members are appointed by the Board, on the Chairman's recommendation. The Board may terminate the appointment of a Committee member at any time. A Committee member may resign from office at any time. All Committee members, and all other persons who attend Committee Meetings, are bound by confidentiality and professional secrecy.

The functioning of each Committee is governed by Rules of Procedure. In the course of their work, Board Committees may interview any executive or employee of Crédit Agricole S.A. Group or experts from outside the Company in areas that fall within the Committees' remit.

In accordance with the provisions of the French Monetary and Financial Code and the recommendations of the European banking authorities, the Committee members have the knowledge, skills and expertise necessary for their role. These competences are assessed annually after review by the Appointments and Governance Committee at the same time with respect to:

- the results of the annual evaluation provided for in Article L. 511-100 of the French Monetary and Financial Code;

- the qualities necessary to chair and serve on Committees, as described in the Board's procedural memorandum adopted on 7 November 2017;
- the guidelines of 27 September 2017 on the assessment of the skills of members of management bodies established by the European Banking Authority.

Members of the Specialised Committees receive a brief on the different items on the agenda, generally three to five days prior to each meeting, depending on the Committee.

Just as Board members are paid for attending Board Meetings, members of Committees are paid for their presence based on a scale set by the Board on the recommendation of the Compensation Committee.

The five Committee Chairs and the Chairman of the Strategy and CSR Committee play a key role in the organisation and functioning of the Committees and in the coordination of their work. The Chairs hold regular meetings with the Directors in charge of activities within the scope of their competence, in particular the heads of the three control functions, the Chief Financial Officer and the heads of the departments in charge of accounting and consolidation, subsidiaries and equity investments, Group human resources and the Corporate Secretary. The Chairs of the Risk Committee and the Audit Committee also hold regular bilateral meetings with the Statutory Auditors. They also attended several meetings with the ECB Joint Supervisory Team (JST), notably in the framework of the SREP process but also through interviews conducted by the JST, alone or with members of these two Committees.

1.3.2. Risk Committee

At 31 December 2019, the Risk Committee had five members, including three independent Directors. One of the members chairs the Committee.

Members	Attendance rate
Françoise Gri, Chairwoman, independent Director	100%
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Catherine Pourre, independent Director	86%
Christian Streiff, independent Director	86%
François Thibault, Chairman of a Crédit Agricole Regional Bank	100%

The Group Chief Risk Officer, the Group Head of Internal Audit the Group Head of Compliance the Chief Financial Officer, the Head of Accounting and Consolidation, and the Head of Group Financial Steering attend meetings of the Risk Committee, as does, on an as-needed basis, the Head of Legal Affairs.

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors. The Committee performs its duties under the responsibility of the Board of Directors, in the areas defined by provisions of the French Monetary and Financial Code, in particular, as arising from the CRD 4 directive of 20 February 2014 and the Decree of 3 November 2014 on the internal control of banks.

Minutes are prepared for each Committee Meeting and, after approval by its Chair, are distributed first to all members of the Committee and then to all members of the Board.

The work of the Committee is subject to annual programming, adapted according to needs and current events. In the autumn of each year, the Risk Committee organises a working lunch, excluding executives, to decide on its programme of work for the following year and the individual and collective training requested by its members. It also examines any areas where it might improve.

The Risk Committee met seven times in 2019, in addition to the eight training events held jointly with the Audit Committee (see above).

The Risk Committee's fixed schedule is mainly structured around the regulatory issues provided for in the French Decree of 3 November 2014 on internal review, those arising from the requirements of supervisors, the review of Risk Strategies and subjects involving risk issues.

In this respect, the Committee reviewed notably the following in 2019:

- the risk appetite statement, which constitutes a decisive framework for the Committee's control and monitoring of risks, and more in general governance;
- the Group's liquidity position, emergency liquidity plan, semi-annual short-term limits and ILAAP, solvency position and monitoring of the solvency trend;
- the annual update of the Recovery Plan and updates to the Resolution Plan;
- the organisation, functioning and resources allocated to each of the three control functions (risk, compliance, internal audit);
- the situation regarding key outsourced services and the status of the Business Continuity Plan (BCP);
- compliance of compensation policies with risk strategies;
- quarterly risk reports;
- limits on the securities and sovereign portfolio, VaR limits, GIRR limits, foreign exchange limits;
- monitoring the Group's preparation for Brexit;
- internal models and internal model risks;
- the Supervisory Review and Evaluation Process (SREP), the recommendations of the supervisor and the measures implemented by the Group to identify capital requirements under Pillar 2 as part of the Internal Capital Adequacy Assessment Process (ICAAP);
- follow-up letters to the ECB and ACPR tasks (Conduct risk, AML-CFT, small businesses, key outsourced services…);
- monitoring of the mechanism implemented by Crédit Agricole Group to comply with the regulation transposing Section 619 of the Dodd-Frank Act (the "Volcker Rule");
- regular periodic monitoring of the implementation of the OFAC Remediation Plan;
- the deployment of the Sapin II anti-corruption scheme, the guidelines for which have received a favourable opinion from the Board;
- Control and Audit function audits, including audits conducted in Regional Banks, and the Control and Audit function audit plan, ECB audits and follow-up of recommendations;
- periodic information on administrative procedures and ongoing proceedings;
- IT strategy and cybersecurity;
- all Risk Strategies previously discussed by the Risk Committee, which it then proposes for adoption by the Board of Directors.

Refer to the glossary page 647 for the definition of the technical terms.

1.3.3. Audit Committee

At 31 December 2019, the Audit Committee had six members, including four independent Directors.

Members	Attendance rate
Catherine Pourre, Committee Chairwoman and independent Director	88%
Caroline Catoire, independent Director	100%
Laurence Dors, independent Director	100%
Françoise Gri, independent Director	100%
Gérard Ouvrier-Buffet, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%

The Chief Financial Officer, the Head of Accounting and Consolidation, the Group Chief Risk Officer and the Group Head of Internal Audit attend meetings of the Audit Committee, as do, on an as-needed basis, the Head of Financial Communications, the Head of Subsidiaries and Equity Investments and the Head of Group Financial Steering.

The functioning and duties of the Committee are set out in Rules of Procedure approved by the Board of Directors (see above). Once a year, the Audit Committee organises a working lunch without management presence in order to decide on its programme of work for the following year and to examine any areas where it might improve.

It also reserves a part of one of its meetings during the year for a discussion with the Statutory Auditors without senior management being present.

During the last financial year, the Audit Committee held eight meetings. The attendance rate was 98%.

In 2019, the Committee dedicated a significant part of its work to preparing for the replacement of E&Y in 2024. The work was carried out with a view to ensuring the harmonisation of the Board of Statutory Auditors within Crédit Agricole S.A. and in the consolidation subgroups; the Audit Committees of the subsidiaries concerned have tasked it with conducting the Group tender, monitoring the work of the Group Steering Committee and interviewing candidates. At its meeting of December 17, 2019, the Board of Directors accepted the Committee's proposal to select Mazars, which will gradually replace Ernest & Young as its term of office expires for the relevant entities.

A substantial part of the Committee's work involved an in-depth review, in view of their presentation to the Board, of the annual, half-yearly and quarterly financial statements and an examination of the consolidated results and the results of each Group business line, their regulatory position and the line and integrity of financial communication.

At each reporting date, the Committee pays particular attention to the accounting options (provisioning for liabilities, treatment of CVA/DVA/FVA, issuer spread on securities issued, employment-related commitments, ALM, etc.). On this occasion, it hears from the Statutory Auditors on the conditions under which the financial statements were prepared and the points to which the latter would like to draw the Committee's attention. At each half-yearly reporting date, in addition to their reports including the specific annual report to the Audit Committee, the Statutory Auditors submit their programme of work for the coming months to the Committee.

Changes in regulations and standards are systematically reviewed on a quarterly basis.

The Committee also reviews goodwill each year, with three meetings during the last financial year (August, December and February), including one on methodology.

In accordance with the Rules of Procedure of the Audit Committee, the Head of Group Control and Audit presented the elements of the Audit Plan within its scope of competence, *i.e.* essentially the missions of the Internal Audit Business Line relating to financial risks for 2020 to the Committee.

Following the European audit reform transposed into French law by the Order of 17 March 2016, the Committee also continued to monitor Services other than the certification of financial statements performed by the Statutory Auditors of Crédit Agricole S.A. and subject to its authorisation under the conditions as renewed each year.

1.3.4. The Joint Risk and Audit Committee

The internal regulations of the Risk Committee and the Audit Committee provide for the possibility of uniting these two Committees. When the Audit and Risk Committee was split into two Committees in 2015, in order to meet the new requirements of banking regulations, it seemed useful for members of the Audit and Risk Committees to have, in certain fields, and a fortiori in areas where financial and regulatory information are interrelated, the same level of information and the opportunity to discuss with one another. When regulations expressly require the Risk Committee to issue an opinion to the Board of Directors on the information reviewed, this opinion is given by the Committee Chair. This practice of a Joint Committee is fully satisfactory to the members of both Committees and can now be regarded as a permanent arrangement.

Members	Attendance rate
Françoise Gri, co-chair of the Committee, independent Director	100%
Catherine Pourre, co-chair of the Committee, independent Director	100%
Caroline Catoire, independent Director	100%
Laurence Dors, independent Director	100%
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%
Gérard Ouvrier-Buffet, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Christian Streiff, independent Director	100%
François Thibault, Chairman of a Crédit Agricole Regional Bank	100%

In 2019, The Risk Committee and the Audit Committee met eight times in a joint meeting. This important number of meetings takes into account the growing number of areas in which accounting and prudential approaches are interconnected. The entry into force on 1 January 2018 of IFRS 9, which, by substituting the notion of "expected loss" for that of "demonstrated loss", combines an accounting and prudential approach to the assessment of risk and its provisioning method. At the same time, reporting requirements aggregating risk and accounting data are multiplying and led to the creation in 2019 within the Accounting Department of a "Group Data and Risk Finance Reporting" department made up of a mixed team. As far as possible, legal risk, which has hitherto been dealt with in the Risk Committee, is now dealt with in the Joint Committee so that the members of the Audit Committee who examine the related provisions for risks and charges have the same information.

As in previous years, the review of the budget for Crédit Agricole Group, the results of the stressed budget and the risk appetite statement, which are essential guidance for members of the two Committees, were covered at a joint meeting.

The following were also discussed in the Joint Committee meetings:

- the financial and prudential trajectory of the "Strategic Ambition 2022" Plan;
- the Annual Internal Control Report and half-year interim information on internal control;
- the PALMA project (an ALM Group Architecture project);

- the findings of roadshows which, through the feedback of questions and points of attention from investors, provide useful information to both Committees to guide their work;
- depending on the date of the meetings, shared information on the Group's solvency and liquidity positions, with a review of various related ratios.

1.3.5. United States Risk Committee

At 31 December 2019, the US Risk Committee had three members, including two independent Directors.

Members	Attendance rate
Françoise Gri, Chairwoman, independent Director	100%
Véronique Flachaire, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Caroline Catoire, independent Director	100%

With a presence in the United States through Crédit Agricole CIB, Amundi (the scope of which has increased with the acquisition of Pioneer) and the activities of Wealth management, Crédit Agricole Group is subject to Section 165 of the Dodd-Frank Act. This regulation requires foreign banks operating in the US, and whose total consolidated assets do not justify the creation of a holding company to head up its businesses, to have a Board of Directors' Committee dedicated to monitoring US risks. It was against this backdrop that the United States Risk Committee was established at the end of the first half of 2016.

US regulations recommend that this Committee should have at least three Directors, one of whom is independent. Crédit Agricole S.A. has opted for mostly independent members, including its Chair, who also chairs the Risk Committee.

It holds four meetings a year, one of which is in the United States, in accordance with a US Federal Reserve recommendation. Accordingly, in 2019, the Committee met on 12 July 2019 at the headquarters of Amundi Pioneer in Boston, along with the persons in charge of the three control functions and representatives of the Group's business lines in North America. This meeting was an opportunity to review the positioning of the Amundi subsidiary on the American asset management market as well as its internal risk management organisation.

The Committee organises its work on the basis of an operational note, which became a Group procedural note in 2017. This defines the organisation and framework for consolidated risk management of Group entities in the United States. This document, on which the Rules of Procedure of the United States Risk Committee, is updated on a regular basis in order to take into account the requirements of the American supervisor and must be formally approved by the Board of Directors.

Each United States Risk Committee Meeting is an opportunity for a detailed review of credit risks, market risks and operational risks from the Group's activities in the United States. Cyber risk, which is the subject of a specific regulation of the FED of New York, is closely monitored. In addition, there are systematic reviews of ongoing audits by the US supervisor(s) and the Control and Audit department, and an update on legal and compliance risks.

The liquidity position, which is a major focus area for the US authorities, is discussed at each meeting. Once a year, following a review by the Committee, this leads to the approval by the Board of Directors of the Liquidity Emergency Plan for the Group's activities in the United States and the Liquidity Risk Appetite Framework, includes credit risks. Similarly, the Committee paid particular attention to the implementation of the recommendations made by the American supervisor as part of its annual "ROCA" (Risk, Operations, Compliance and Asset Quality) review.

Along with recurring topics, at the Committee's request an in-depth report is presented on the Group's entities in the United States and on the activities and/or business lines in that country. In this respect, the Committee reviewed the following in 2019:

- Crédit Agricole CIB New York;
- CAIWM Miami;
- Amundi Pioneer;
- activities in Central and Latin America;
- leverage finance;
- cybersecurity risks;
- the US component of the OFAC Remediation Plan, anti-money laundering and the application of the Volcker Rule;
- the review of new products and activities.

1.3.6. Compensation Committee

At 31 December 2019, the Compensation Committee had six members, including three independent Directors and one Director representing employees.

Members	Attendance rate
Laurence Dors, Committee Chairwoman, independent Director	100%
Daniel Épron, Chairman of a Crédit Agricole Regional Bank	100%
Françoise Gri, independent Director	83%
François Heyman, Director representing employees	100%
Jean-Paul Kerrien, Chairman of a Crédit Agricole Regional Bank	100%
Christian Streiff, independent Director	83%

The composition of the Committee complies with the legal provisions and the recommendations of the AFEP/MEDEF Code, both with respect to its membership (majority of independent Directors, presence of an employee representative) and its chairmanship (by an independent Director).

The Crédit Agricole Group Head of Human Resources attends Compensation Committee Meetings accompanied by the Head of Compensation and Employee Benefits.

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors. The Committee performs the duties conferred upon it by the AFEP/MEDEF Code and the French Monetary and Financial Code (particularly Article L. 511-102), as well as preparing compensation-related tasks for which the Board of Directors is responsible under the French Commercial Code (particularly Article L. 225-37-2).

In addition, in accordance with the provisions of Article L. 511-91 of the French Monetary and Financial Code and the decision of the Board of Directors of 17 December 2013, the functions assigned to the Compensation Committee under the aforementioned article are performed by the Compensation Committee of Crédit Agricole S.A. for the following subsidiaries: LCL, Crédit Agricole Assurances, Crédit Agricole Consumer Finance, Crédit Agricole Leasing & Factoring and CACEIS.

The Compensation Committee met six times in 2019. Its Chairwoman reported to the Board on the work accomplished by the Committee at each of its meetings and submitted the Committee's recommendations on matters subject to approval by the Board.

Refer to the glossary page 647 for the definition of the technical terms.

In 2019, following the transposition of the Directive on worker mobility into the Law of 22 May 2019, the Compensation Committee finalised the implementation of the supplementary pension scheme for Executive Corporate Officers, work on which had started two years earlier. They resulted in the substitution of a solution combining free allocation of shares ("AGA") and Article 82 of the General Tax Code (CGI) for the Article 39 scheme.

In addition to the objective of ensuring regulatory compliance with the principle of pension portability, the new supplementary pension scheme also makes it possible, through the savings achieved, to set up a genuine Long-Term Incentive scheme in line with market expectations and practices. The Committee's approach on this point was based on a global vision of all executive rewards with, in addition to the implementation of ILT, a review of the objectives of Corporate Officers incorporating the orientations of the new MTP and paying particular attention to ensuring that the achievement criteria are based on quantifiable data.

Since the implementation of the "say on pay" reform, the Committee was particularly aware that the transparency of information pertaining to the compensation of Executive Corporate Officers and identified staff was aligned with the highest standards. At the General Meeting of 21 May 2019 this work resulted in an approval rate of resolutions relating to the *ex-post* compensation of Executive Corporate Officers between 96.5% et 99.9%.

In preparation of the General Meeting on 13 May 2020, the Committee in its meetings reviewed all resolutions on the compensation of the Executive Corporate Officers approved by the Board at its meeting on 13 February 2020.

As part of the Board's regulatory obligations, the Committee also examined the compensation of individuals with supervisory responsibilities (Risk, Control & Audit, Compliance), the budget for the variable compensation of identified staff and individual variable compensation over €1 million.

It also considered the "compensation" section of this Board report on Corporate Governance prior to the Board's approval of the entire current Corporate Governance Report on 13 February 2020.

In addition to the work described, other matters examined by the Committee in 2019 included:

- the update of Crédit Agricole S.A. Group Compensation policy, submitted for the Board's approval, and the results of the annual audit on the Compensation policy;
- the overall budget for variable compensation within the Group, by entity and according to the appropriate schemes (bonus pool or individual variable compensation);
- the report in respect of 2019 on the compensation policy and practices of members of the executive body, as well as individuals whose professional activities have a significant impact on the Company's risk profile;

1.3.7. Appointments and Governance Committee

At 31 December 2019, the Appointments and Governance Committee comprised six members. Pursuant to the provisions of the AFEP/MEDEF Code, the Committee is chaired by an independent Director. However, the proportion of independent Directors on the Appointments and Governance Committee is below AFEP/MEDEF recommendations but reflects the capital structure of Crédit Agricole S.A., which is controlled by a majority shareholder and where the Chief Executive Officer is from one of the 39 Crédit Agricole Regional Banks that control it. This situation is reported in the table of non-compliance with the AFEP/MEDEF Code.

Members	Attendance rate
Monica Mondardini, Committee Chairwoman, independent Director	80%
Raphaël Appert, Deputy Chairman of the Board of Directors, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Laurence Dors, independent Director	100%
Jean-Pierre Gaillard, Chairman of a Crédit Agricole Regional Bank	100%
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank	100%
Louis Tercinier, Chairman of a Crédit Agricole Regional Bank	100%

The functioning and duties of the Committee are set out in Rules of Procedure as approved by the Board of Directors.

The Corporate Secretary of Crédit Agricole S.A. and Secretary of the Board of Directors take part in meetings of the Appointments and Governance Committee. The Chairwoman of the Appointments and Governance Committee reports to the Board on its work and on the Committee's opinion on matters referred to it for approval.

The Committee met five times in 2019.

The appointments of the new Group Chief Risk Officer and the new Group Head of Compliance provided an opportunity for the Committee to apply the provisions relating to the involvement of the supervisory body in the appointment and possible dismissal of each of the heads of control functions.

On the occasion of these two appointments, the Committee first ensured that the incumbent's decision to exercise his pension rights was a personal decision. It then ensured that the recruitment process had been carried out in accordance with the requirements for this post, with a transparent procedure, a precise definition of the tasks and qualifications required, an assessment of the candidates and, finally, a motivated choice. After hearing the Chief Executive Officer, the Appointments and Governance Committee, in coordination with the Risk Committee, issued a favourable opinion to the Board on the recommendation submitted by the Chief Executive Officer to appoint the Group Chief Risk Officer and the Head of Group Compliance.

Prior to the General Meeting, the Appointments and Governance Committee examined the situation of Directors whose terms of office were up for renewal with regard to the criteria of availability, competence and good repute.

It defined the selection process for future independent Directors and its timetable, taking into account the fact that by the General Meeting of May 2023, the six independent Directors in office will all have been replaced. To that extent it proposed the Board of Directors on 17 December 2019 the candidacy of Marie-Claire Daveu, Group Sustainable Development Director of Kering and Chairwoman of Crédit Agricole Corporate and Investment Bank Risk Committee, to replace Christian Streiff, who will have reached the age limit by the Meeting of 13 May 2020. Ms Daveu will leave the Board of Directors of Crédit Agricole Corporate and Investment Bank on that date. The Committee has reviewed its situation with regard to the AFEP/MEDEF Code and noted that the Code recommends that a Director should not hold directorships in consolidated subsidiaries in order to be recognised as independent.

Refer to the glossary page 647 for the definition of the technical terms.

Taking into account in particular the fact that, after examination:

- the guidelines of the European Banking Authority do not use this criterion, but only that of an executive mandate in a consolidated subsidiary;
- Ms Daveu exercised her functions as an independent Director of Crédit Agricole Corporate and Investment Bank and was recognised as such by the supervisory authorities;
- that relations between Crédit Agricole Group and the Kering Group do not constitute a situation of dependence.

The Committee, subject to a review of her situation after the General Meeting of 13 May 2020, recognised Ms Daveu as an independent Director. Subject to the approval of her appointment by the General Meeting, it shall state the fact that she has been a Director of a consolidated subsidiary in the areas of non-compliance with the AFEP/MEDEF Code.

It also proposed to the Council the appointment as non-voting Director of Agnès Audier, effective 1 January 2020, with the intent of proposing her appointment as a Director at the General Meeting of May 2021, at the end of which she will be proposed as Chairman of the Special Committee.

It organised the self-assessment campaign on the functioning and competences of the Board of Directors and, in the light of the results and suggestions, proposed concrete measures to address them (see below).

In 2019, the Committee heard the Chief Executive Officer regarding the succession process for key functions, and to the Group Human Resources Director addressed it on the measures to promote gender equality at work, including in decision-making bodies.

It was kept informed of regulatory changes in the area of governance, in particular pursuant to the Act of 22 May 2019. In this respect this work focused on the amendment to the Articles of Association defining the procedures for electing a Director representing employee shareholders (see below). It also defined two procedural notes of the Board meeting the requirements of this law, one to ensure the presence of a female candidate when appointing a Deputy Chief Executive Officer, and the other on the control of current agreements. The Board's work also focused on the ways it incorporates the obligation to take into account the social and environmental challenges of its activities.

Lastly, it reviewed the scores as well as the opposition rate of the resolutions submitted to the 2019 General Meeting, in particular those with the highest opposition rate, including one close to 80%, when it approved the present report on corporate governance submitted to the Board on 13 February 2020 and the governance resolutions for the General Meeting on 13 May 2020.

1.3.8. Strategy and Corporate Social Responsibility (CSR) Committee

At 31 December 2019, the Committee comprised seven members.

Members	Attendance rate
Dominique Lefebvre, Chairman of the Board of Directors, Chairman of a Crédit Agricole Regional Bank	100%
Raphaël Appert, Deputy Chairman of the Board of Directors, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
Daniel Épron, Chairman of a Crédit Agricole Regional Bank	100%
Françoise Gri, independent Director	100%
Renée Talamona, Chief Executive Officer of a Crédit Agricole Regional Bank	100%
François Thibault, Chairman of a Crédit Agricole Regional Bank	100%
Christian Streiff, independent Director	67%

The establishing of this Committee was decided by the Board of Directors in 2003, first as the Strategy Committee and then, from 2015 on, as the Strategy and CSR Committee, with an extension of its field of competence.

While the AFEP/MEDEF Code for a long time provided that strategic guidelines could be examined by an *ad hoc* Committee, without issuing a recommendation on how this Committee should operate, the inclusion of Corporate Social Responsibility into the Board's scope of competence was incorporated in the revised version of the Code in 2018. In respect of the information provided in this field, Crédit Agricole S.A. meets the recommendations of the French Financial Market Authority (AMF), which, in its November 2016 report on Corporate Social Responsibility, recommends that detailed guidelines be given regarding the frequency at which corporate social and societal responsibility matters should be included on the Committee's agenda, while also specifying its duties and results and its interaction with other Board Committees.

The functioning and duties of the Strategy and CSR Committee is described in its Rules of Procedure, amended in 2016 to allow it to meet whenever the need arises, rather than according to an annual schedule. This method of operation was in response to a request from its members, made as part of the annual evaluation of the Board and to the wishes of the Chairman and the Chief Executive Officer. This flexibility renders it possible to involve the Board as early as possible in the process of considering disinvestments and acquisition transactions.

While the review of Crédit Agricole S.A. group's CSR policy is primarily the responsibility of the Strategy and CSR Committee, the Board of Directors has also adopted a cross-functional approach involving, depending on the subject, most of the Specialised Committees.

The Committee held three meetings in 2019, including one dedicated to analysing the results of the actions carried out in the areas of CSR and the guidelines for the following year. Given the place of the Societal Project in the new MTP and the growing importance of CSR issues, the Strategy and CSR Committee will hold additional meetings dedicated to it in 2020 and will inform the Board of Directors accordingly.

In its revised version revised in June 2018, the AFEP/MEDEF Code introduces the monitoring of the preparation of non-financial information to the scope of competence of the Audit Committee. As this task is already carried out within the Board of Directors of Crédit Agricole S.A. by the Strategy and CSR Committee, in coordination with the Appointments and Governance Committee, it was decided that non-financial information and non-financial ratings would remain within the scope of competence of this Committee. Similarly, the non-financial risks that the AFEP/MEDEF Code assigns to the Audit Committee, remain within the scope of competence of the Risk Committee, a mandatory committee in the banking sector and not listed in the committees recommended by the AFEP/MEDEF Code.

In 2019, the Committee monitored and participated in the establishment of the Group's purpose, "Acting every day in the interest of our customers and society" and in the integration of the two major pillars of the CSR policy at the heart of the Group's project.

With regard to Climate Finance, the Committee has adopted an innovative and singular strategy based on:

- the implementation of Group climate governance and transparency of information in accordance with the highest standards in this area;
- the integration of energy transition issues into the customer's relationship;
- the gradual reallocation by the business lines of financing and investment portfolios and assets under management in favour of the energy transition.

Other actions included in the assessment reviewed by the Committee are, e.g. the partnership with the National Museum of Natural History to support actions to protect and conserve sites and support scientific research on biodiversity.

Refer to the glossary page 647 for the definition of the technical terms.

Finally, under social commitments, Crédit Agricole has, for example, taken measures to promote the integration of young people and access to employment. Across Crédit Agricole Group as a whole, 750 third-year trainees from disadvantaged areas of which 300 within Crédit Agricole S.A., were welcomed in 2019.

For 2020, the objectives set by Executive Management and the Strategy and CSR Committee are to expand the various initiatives and commitments, in particular the need to:

- bring the social dimension of the Medium-Term Plan to life through ambitious Group governance and a good balance feeding the engagement of Crédit Agricole S.A.;
- seek coherence of actions to demonstrate the power of the societal project by providing the CSR Department with the capacity to monitor, steer or coordinate the initiatives that are part of it;
- enable Crédit Agricole to position itself as an influential player in the economic fabric by adopting a clear doctrine based on "Just Transition and Long-Term Capitalism" while disseminating it directly or indirectly;
- improve communication on the actions on societal and environmental issues of the Group.

For the record, the Strategy and CSR Committee is also monitoring the preparation of the Integrated Report, which will be the fourth such report in 2020, providing a strategic and forward-looking vision of the Company, integrating financial and CSR data.

(For the strategic matters and sale and acquisition matters that were the subject of a public communication and were presented to the Board in 2019, see 1.2.2: "Summary of matters examined by the Board in 2019 further to review by, advice from and/or on the recommendation of the Specialised Committees".)

1.4 DUTY OF VIGILANCE

Legal framework

Law No. 2017-399 of 27 March 2017 on the duty of vigilance of parent companies and contracting companies applies to Crédit Agricole S.A.

As a parent company, Crédit Agricole S.A. corporate entity has opted for preparing a vigilance plan and reporting on its effective implementation for Crédit Agricole S.A. corporate entity and the companies it directly or indirectly controls. These are together being referred to as "Crédit Agricole S.A.".

The vigilance plan includes, in accordance with the law, reasonable measures to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of persons and the environment, which could potentially result from the activities of Crédit Agricole S.A. corporate entity and of the consolidated companies over which Crédit Agricole S.A. corporate entity exercises control, as well as from the activities of sub-contractors or suppliers with whom an established commercial relationship is maintained, when such activities are related to that relationship.

Our commitments

Our vigilance measures are in line with the fundamental principles to which we adhere and the applicable international rules and regulations, in particular with regard to respect for human rights, the fight against modern slavery, the prevention of attacks on human health and safety, the protection of the environment and, in particular, the development of "climate finance" (see Chapter 2 "Non-Financial Performance", introduction, "A long-term commitment").

Beyond the applicable regulatory base, our commitments are based on our purpose: "Acting every day in the interest of our customers and society". Thus, environmental, social and societal issues are at the heart of the Group 2022 strategic project, which will guide our actions in the coming years through three flagship projects: the customer project, the human project and the societal project. (https://www.credit-agricole.com/le-groupe/projet-du-groupe-et-ambitions-2022).

To carry out these projects while exercising its banking-insurance business in a responsible manner, Crédit Agricole Group has chosen to promote a strong culture of compliance and ethics. Particular attention is paid to the impact of our activities on people and the environment in order to achieve our goals and meet our commitments to customers, employees, partners and society.

Our ethical principles

Our commitments are reflected in policies that formalise the principles of compliance and ethics as applicable within our Group and in our relationships with our customers, suppliers, service providers and employees (see Chapter 2, part 1.2 "Culture of ethics").

- The **Code of Ethics** of Crédit Agricole Group, which sets out the framework for the principles of action and professional conduct within our Group, has been approved by the Board of Directors of Crédit Agricole S.A. and the Boards of Directors of all subsidiaries of Crédit Agricole S.A. It was presented to the General Meeting of Shareholders in May 2017 and distributed when it was issued. The principles described in this charter also include measures to prevent corruption and are intended to be integrated into the internal control procedures of the entities.
- **Codes of Conduct** implemented by the entities of Crédit Agricole S.A. operationally describe the principles of the code of ethics. These Codes of Conduct have been presented to the Boards of Directors of each entity for consideration. Their implementation is part of the process of controlling the risks of non-compliance.

The Board of Directors of Crédit Agricole S.A. is strongly involved in promoting an ethical culture within the Group, specifically through the monitoring of the deployment of the code of ethics, in 2018 followed by its implementation in the form of Codes of Conduct. The Board integrates the examination of CSR issues and policies within the remit of its Strategy and CSR Committee, which, in conjunction with the Appointments and Governance Committee, monitors ethical issues within the Group.

Managing and monitoring of the vigilance plan

The vigilance plan is managed and monitored at the highest level of Crédit Agricole S.A. The Board of Directors has been informed of the procedures for developing and implementing the vigilance plan in its meetings of 17 December 2019, following the presentation to the Strategy and CSR Committee on 12 December 2019. With regard to social and environmental issues and risks, the Board has adopted a cross-functional approach involving, depending on the subject, primarily the Strategy and CSR Committee, but also the Appointments and Governance Committee, the Risk Committee and the Compensation Committee, which enables the Board to be fully informed and which facilitates the inclusion of these matters in its deliberations (see Chapter 3, part 1.3 "Activities of the Board's Specialised Committees").

The CSR Committee of Crédit Agricole S.A., chaired by the Corporate Secretary, member of the Executive Committee, approves the orientations and monitors the implementation of the vigilance plan and the associated action plans. Twice per year it is responsible in the capacity of "Committee on the duty of vigilance" and keeps the Executive Committee updated.

The management of the vigilance plan is entrusted to the CSR department, under the responsibility of the Corporate Secretariat, in collaboration with the Group departments overseeing Purchasing, Legal, Risk, Compliance, Human Resources, Safety and Security, as well as with Crédit Agricole S.A. subsidiaries.

Our approach

For financial year 2019, the Crédit Agricole S.A. vigilance plan consisted of:

- the process of risk mapping for the identification, analysis and prioritisation of risks of serious violations that its activities could potentially cause to fundamental human rights and freedoms, the health and safety of persons, and the environment. This approach is reported by describing the methodology used and summarising the risks identified and the associated areas of vigilance;
- prevention or mitigation measures and assessment procedures implemented within Crédit Agricole S.A. to prevent these risks;
- of a mechanism for alerting and receiving alerts relating to the existence or realisation of such risks;
- a system for monitoring the actions implemented and evaluating their performance. This mechanism, which includes monitoring indicators, is presented in the report on the implementation of the vigilance plan. More detailed information on policies and action plans is given in the non-financial performance statement (see Chapter 2, Non-Financial Performance).

Pursuant to the regulations, the report on the effective implementation of the vigilance plan is published each year for the financial year ending 31 December.

The approach of the Vigilance plan is based on the principle of continuous improvement. As a result, the tools used to identify and manage risks and the measures implemented to prevent these may change in the light of the results of risk mapping approaches, changes in the activities financed and those induced by the operations of Crédit Agricole S.A., as well as priority CSR issues. In this light, the indicators for monitoring the implementation of the vigilance plan, which were defined in 2019, may change or be supplemented with new indicators for subsequent financial years.

Methodology for identifying and managing the risks referred to in the current vigilance system

Identification of risks

In line with the law, the scope of the vigilance plan of Crédit Agricole S.A. includes employees, suppliers and sub-contractors with whom it has an established relationship, and covers the main activities of Crédit Agricole S.A. in the exercise of its business as banker and insurer, *i.e.* its financing and investment activities as well as the distribution of financial and insurance products and services to its customers.

The risk identification process is based on two steps:

- a first step to identify generic risks with regard to the areas of vigilance covered by the law and the commitments of the Group;
- a second step to identify the risks of major impacts specific to our activities that require a particular vigilance.

With regard to the areas of vigilance covered by the law and the commitments of Crédit Agricole S.A. with regard to CSR, the generic risks of serious violations of human rights, fundamental freedoms and the health and safety of individuals that we have identified are:

- the use of forced labour, slavery and child labour;
- the violation of the rights of indigenous peoples, including their right to property;
- discrimination and harassment in the workplace;
- failure to respect freedom of association and the principle of collective bargaining;
- violations of the health and safety of persons;
- the lack of decent working conditions, compensation and social protection;
- violating the right to privacy.

In terms of environmental protection, the identified serious risks of damage are:

- the worsening of climate change and associated climate risks;
- excessive consumption of natural resources;
- pollution and degradation of soil, air and water quality;
- the loss of biodiversity;
- the proliferation and non-treatment of waste.

In order to identify and assess the significant risks directly related to our activities, in the areas covered by the law on the duty of vigilance, our approach is based on priority CSR issues (deemed to have major impacts for stakeholders and the Group) which contain both opportunities and risks. These challenges are updated every two years in the form of a CSR barometer based on consultation with employees (about 4,000 individuals consulted in 2018) and external stakeholders (1,200 individuals represented customers and the general public).

In 2019, the risks thus identified were also assessed in light of the methodological framework for identifying social and environmental risks presented in the non-financial performance statement, which covers a broader scope than the scope of application defined by the law on the duty of vigilance. This approach was based on three stages: the formalisation of four areas of CSR commitments corresponding to the Group's purpose, the cross-referencing with the areas of action defined in ISO 26000, which made it possible to identify some thirty non-financial challenges and then, with regard to these challenges, the identification of some fifteen significant potential non-financial risks (see the introduction to Chapter 2 "Non-Financial Performance", part "Key risks identified").

In this context, Crédit Agricole S.A. has identified the main areas in which its activities have a major socio-economic impact and could therefore carry significant direct risks to respect for human rights and fundamental freedoms, human health and safety and environmental impact.

This approach made it possible to identify the following areas of vigilance:

- Relationships with the customers of Crédit Agricole S.A.:
  - ensuring the security of customer's personal data and the transparency of their use;
  - preventing discrimination in access to financial services offered by entities of Crédit Agricole S.A.
- Relationships with employees of Crédit Agricole S.A.:
  - maintaining occupational health and ensuring equity in social protection;
  - ensuring the safety and security of employees;
  - combating discrimination;
  - maintaining social dialogue within the Group.

Refer to the glossary page 647 for the definition of the technical terms.

- Relationships with suppliers and sub-contractors of Crédit Agricole S.A.:
  - Ensuring that suppliers and sub-contractors with whom we have an established relationship accept commitments related to the vigilance system of Crédit Agricole S.A.;
  - assessing and managing significant environmental, societal and governance (ESG) risks in our purchasing.
- Financing and investment activities of Crédit Agricole S.A.:
  - assessing and managing major direct environmental and societal and governance (ESG) risks in financing and investment;
  - paying particular attention to climate risk management in financing and investing.

Risk management systems

The Group exercises vigilance within the framework of existing risk management systems (see Chapter 5, "Risk Management").

In order to achieve its strategic orientations while managing and mitigating its risks appropriately, the Group has established a risk appetite framework, consisting of key indicators for each type of risk, which form the basis of its strategy. The Risk Appetite Statement, submitted annually to the Board of Directors of Crédit Agricole S.A. for approval, is a decisive element for the control and monitoring of governance risks. It includes a key indicator relating to climate risk. In addition to quantitative indicators, the Group's risk appetite is also expressed through qualitative indicators based on the Group's CSR strategy and policies with the aim of controlling all risks, including non-financial risks.

In accordance with the Decree of 3 November 2014, a dedicated procedure is in place to control the risks related to the Group's activities, describing in particular the respective responsibilities of its three lines of defence within the internal control system (business lines in the first place, permanent control exercised by the Risk and Compliance business lines in the second place, Audit-Inspection in the third).

Moreover, the operational risk management system, which includes the risk of non-compliance, legal risk, the risk of internal and external fraud and the risks generated by the use of key outsourced services (PSEE), is formalised in a set of common standards and procedures.

The identification and qualitative assessment of risks is carried out through risk mapping, carried out annually by the business lines and entities in accordance with the specific characteristics of their business sector. Risk indicators are set up for processes with major impact risks and, if necessary, improvement action plans are defined.

Compliance standards and the system for monitoring non-compliance risks are described in an *ad hoc* body of rules (Corpus Fides). Finally, a dedicated control system, incorporating a procedure for managing irregularities and reporting alerts, ensures that non-compliance risks are managed, particularly with regard to non-compliance with rules relating to financial and banking activities, professional and ethical standards, instructions, ethics in professional conduct, as well as in the fight against money laundering, corruption or terrorist financing, and respect for the integrity and transparency of the markets. Within the Compliance business line, each Compliance Manager updates a mapping of non-compliance risks, consolidated by the Group Compliance department.

Report of the implementation of measures to prevent or mitigate these risks

Relationships with the customers of Crédit Agricole S.A.

In its business of distributing financial and insurance products and services to its customers, Crédit Agricole S.A. has identified two areas requiring particular attention.

Ensuring the protection of personal data and transparency as to their use

The Group has adopted a normative framework for the protection of personal data by implementing, in 2017, a personal data charter, co-created with customers. It is based on five key principles (data security, utility and loyalty, ethics, transparency and pedagogy, customer control) aiming to reassure customers and disseminating best practices to employees of the Group entities.

The commitments made in that charter ensure that customers have control over their data and their use and are fully consistent with the implementation of the European regulation on the protection of personal data that came into force in May 2018.

In 2018, a set of standards and procedures relating to the management and protection of personal data, including employee data, was distributed to all Crédit Agricole S.A. entities and, in 2019, 94% of Crédit Agricole S.A.'s employees were trained in the requirements of day-to-day compliance (see Chapter 2, part 1.2 "Culture of ethics").

Avoiding discrimination in the access to financial products, services and insurance by supporting the most financially vulnerable customers

In order to be useful to all its customers and to prevent the risk of discrimination in access to financial services, Crédit Agricole has been committed for several years to a process of financial inclusion and support for the most vulnerable customers. The Group shows its commitment to this approach by committing to preventing over-indebtedness and improving access to credit and insurance for those customers. To illustrate, at the end of 2018 the Group set up ranges of products that are accessible to all, such as Eko by CA and LCL Essentiel. It is the ambition of Crédit Agricole to develop these products.

To prevent and manage situations of over-indebtedness, specific support measures (personalised support agency, national unit and adapted offer) have been set up by Crédit Agricole Consumer Finance and LCL; these can be offered to customers when a situation of financial vulnerability is found.

Within Crédit Agricole Assurances, Pacifica has developed a Solidarity Health offer proposed to beneficiaries of the Assistance for payment of the Health Supplement ("ACS"). Crédit Agricole Assurances abides by the AERAS agreement, which facilitates access to insurance and loans for persons who currently have or have had serious health problems, and offers adapted policies through its subsidiary, CACI, a loan insurer. Crédit Agricole Assurances also conducts preventive actions with customers, rounded out by an offer or specific training solutions. For example, Pacifica offers support with a "break" in the payment of car insurance premiums, which is essential when looking for work.

Several entities of the Group (notably CA Consumer Finance, LCL, CreditPlus in Germany, Agos in Italy and CA Poland) are involved in financial and budgetary education programmes that have as one of their objectives the prevention of over-indebtedness (see Chapter 2, part 3.1.1 "Economic development for everybody").

Relationships with employees of Crédit Agricole S.A.

On 31 July 2019 Crédit Agricole S.A. has signed an International Framework Agreement with the global union federation for the private services industry, UNI Global Union. This global agreement covers human rights, fundamental labour rights and the development of social dialogue. It reinforces the commitments of Crédit Agricole S.A. by offering the same social basis to all its employees, regardless of where they work, and by helping to improve working conditions. This agreement provides a frame of reference for Crédit Agricole S.A.'s 75,000 employees in the 47 countries where it operates.

Maintaining occupational health and ensuring equity in social protection

Crédit Agricole S.A. ensures that its facilities provide a working environment that protects the health of its employees and provides prevention, information and support services for employees (free screening campaigns and vaccination, ergonomic advice, nutrition and stress management, personalised support for employee carers, etc.).

Measures to prevent psycho-social risks (toll-free numbers, listening units) are deployed throughout Crédit Agricole S.A. In addition, specific attention is paid to the situation of employees in light of organisational transformations and, if necessary, accompanying measures are put in place (training, awareness-raising, collective agreements).

Crédit Agricole S.A. is also actively involved in the social protection of all its employees, particularly in matters related to health, retirement, death, short and long-term disability. Accordingly, in 2017, a supplementary hospitalisation scheme was implemented at the Crédit Agricole S.A. level in France. In 2018, the Take Care programme continued and made it possible to strengthen health and provident schemes (death, short and long-term disability coverage) for nearly 9,000 employees and their families in four countries of the International retail banking business line (Egypt, Morocco, Serbia and Ukraine).

The International Framework Agreement of 31 July 2019 includes a strong commitment to parenthood as it sets out the principle of 16 weeks paid maternity leave for all employees of Crédit Agricole S.A. as of 1 January 2021. It also recommends that entities introduce adoption or paternity leave in order to take into account the different situations of parenthood.

Lastly, the Agreement includes a major commitment to employee benefits (short and long-term disability, death and health); it calls for an inventory of all employee benefits systems in effect in the entities, in order to map current practices in relation to their national and professional context (see Chapter 2, part 2.3.3 "Health, safety and quality of life at work").

Ensuring the safety and security of employees

Crédit Agricole S.A. ensures the safety and security of its employees and persons on its premises. Specific measures are also deployed to ensure the safety of employees during business travel as well as for expatriate employees. Risk prevention actions specific to employees in contact with customers or who travel frequently by road are also implemented.

In 2017 and 2018, the governance and organisation of the Physical Security function within the Group were reviewed in order to strengthen existing systems and the resources allocated. A procedure describing the general framework, organisation and operation of the Physical Security and Safety Business Line and recalling the tasks entrusted to the Physical Security and Safety Department (*Direction sécurité-sûreté*—DSS) was distributed within Crédit Agricole Group in 2018.

Furthermore, in 2018 and 2019, as part of the implementation of Crédit Agricole S.A.'s Individual Security Plan, e-learning training on what to do in the event of a terrorist attack was offered to all employees. In addition, "first response team members" have been trained in the containment strategy. The reasons and practical details of this approach were presented to the Consultation Committee, which includes all the representative trade unions within Crédit Agricole S.A., at its September 2018 meeting.

The Safety and Security Department ensures compliance with regulatory obligations and the implementation of the Group's security policy at all Crédit Agricole S.A. sites, in particular by ensuring that employees are trained in fire safety. In this context, with the support of IFCAM and other Crédit Agricole S.A. entities, it has designed an e-learning training course on what to do in the event of security incidents such as fire or rescue. The objective of this training is to be distributed to all employees by 2020.

Combating discrimination

Crédit Agricole S.A. is a signatory of the Diversity Charter and it has already been committed to an approach aimed at promoting diversity and gender balance for several years. This diversity policy, which is based on the principles of non-discrimination and the integration of career and age diversity, takes the form of agreements on topics such as non-discrimination in recruitment, training, promotion, compensation and the life-work balance. Training and awareness-raising activities are regularly implemented within Crédit Agricole S.A. and annual indicators make it possible to monitor the results of the measures implemented.

Furthermore, in order to help reduce unjustified wage gaps between women and men, a gender equality index has been created pursuant to the Law of 5 September 2018 on the freedom to choose one's professional future. This index allows companies to measure their progress in this area and, if necessary, to implement corrective actions. After several years of commitment and initiatives in the area of gender equality at work, at 31 December 2018 Crédit Agricole S.A. scored well above regulatory requirements:

- 84/100 for Crédit Agricole S.A. corporate entity;
- between 77 and 93/100 for the other entities of Crédit Agricole S.A.

The International Framework Agreement of 31 July 2019 also provided for concrete measures applicable at each career path stage designed to ensure gender equality.

Lastly, employment and integration of persons with disabilities have been the subject of a proactive policy since 2005 under three-year Disability agreements. The number of newly-hired persons with disabilities and the volume of purchase contracts signed with the sheltered and disability-friendly sector are among the indicators measured annually (see Chapter 2, part 2.3.2 "Building on our diversity for a stronger work place community"). Crédit Agricole S.A. has negotiated a sixth three-year (2020-2022) agreement with employee representatives, with the goal of further strengthening actions in favour of people with disabilities. The International Framework Agreement also confirms the importance of this commitment to disabilities.

Maintaining a social dialogue within the Group

Crédit Agricole S.A., through its Group Human Resources Department and representatives of the Human Resources function within each entity, maintains a dynamic dialogue with all stakeholders in the social dialogue.

Refer to the glossary page 647 for the definition of the technical terms.

This dialogue is organised at several levels to take into account the multiplicity of Crédit Agricole Group's locations in Europe. Fourteen countries (representing more than 90% of Crédit Agricole's employees) are represented on the European Works Council, which meets annually; similarly, in France twice a year, employee representatives and management discuss the Group's strategy and social and economic situation.

Moreover, two other bodies within Crédit Agricole S.A. also facilitate maintaining the social dialogue: a Consultation Committee in which executives can present their projects and engage in discussions with employee representatives; meetings of union representatives are also organised on a monthly basis to foster exchanges, maintain a local dialogue and explain strategic developments in the Group's business lines (see Chapter 2, part 2.3.1 "Guaranteeing a constructive social dialogue within the Group").

The importance of the trade unions, whose role is an integral part of the Group's life, has been reinforced. On 8 March 2019 Crédit Agricole S.A. signed an Agreement on the career path of staff representatives which aims to promote engagement in staff representation and to enhance the mandate of staff representatives in their career development. Through this agreement, Crédit Agricole S.A. is committed to promoting the attractiveness of trade union and elected positions among employees wishing to become involved in social dialogue within its entities. Crédit Agricole S.A. also undertakes to promote and respect equal access for women and men to trade union and elective office and to combat all forms of discrimination based on the exercise of such office.

Relationships with suppliers and sub-contractors

Ensuring that suppliers and sub-contractors with whom we have an established relationship accept commitments related to the vigilance system of Crédit Agricole S.A.

Crédit Agricole S.A. has a "Responsible Purchasing" policy, which was revised in 2017 and, in 2018, expanded to be applicable for the entire Crédit Agricole Group. Shared by all employees and suppliers, it aims to promote, in case of a purchase, the consideration of the right need and of economic, societal and environmental aspects. This policy is accompanied by a "Responsible Purchasing Charter" that formalises the reciprocal commitments between Crédit Agricole S.A. and its suppliers, based on the fundamental principles of the United Nations Global Compact. In particular, it specifies the level of vigilance expected in terms of respect for human rights and labour law, environmental impact, business ethics and transparency. The Charter is systematically attached to all supplier contracts.

Moreover, a specific clause titled "Respect for human rights, protection of the environment and fight against corruption" was included in all the standard supplier contract models of Crédit Agricole S.A., under which suppliers declare and guarantee that they will respect and enforce in their supply chains all their obligations to identify risks and prevent serious violations of human rights and fundamental freedoms, the health and safety of individuals and the environment resulting from their activities, in accordance with laws and/or regulations relating to respect for human, social and environmental rights. At the end of 2019, a permanent control indicator was set up at Crédit Agricole S.A. corporate entity to ensure that this clause was included in all supplier contracts. This monitoring will be extended to the different entities of Crédit Agricole S.A.

CSR evaluation of suppliers is required in each call for tenders. It covers both the supplier's CSR policy and management system as well as CSR criteria for evaluating the offer and is based on a documentary audit. The evaluation of the supplier's CSR policy is entrusted to an independent and specialised third party, EcoVadis, since 2012. The roll-out in 2019 of a purchasing information system common to all Crédit Agricole S.A. entities now enables the pooling of CSR assessments in the supplier database.

In 2018, the "Supplier Relations and Responsible Purchasing" label awarded by France's Mediator of the Republic has been renewed and extended to all Crédit Agricole S.A. subsidiaries, including the requirements of ISO 20400 standard. In order to strengthen mutual knowledge between Crédit Agricole S.A. companies and their suppliers and to involve suppliers in our responsible purchasing approach, meetings are organised on a regular basis. Thus, the third "Supplier Meeting" in June 2019 had as its main theme "CSR in purchasing".

Assessing and managing significant environmental, societal and governance (ESG) risks in our Purchasing

The requirements of the law on the duty of vigilance are included in the Purchasing procedural memorandum that applies to all employees. In addition, the "Responsible Purchasing" e-learning module was updated in 2019 and is offered to all employees in the Purchasing business line of Crédit Agricole S.A., to raise their awareness of the Company's challenges, policies and procedures. The e-learning module, made available in the training catalogue, is also accessible to all Crédit Agricole S.A. employees, so that all potentially affected employees understand and can be able to identify risks in our supply chain. Finally, a "responsible purchasing" training module is offered in person in the training course on the fundamentals of purchasing.

In 2018, the Group Purchasing Department finalised the introduction of its risk mapping by identifying, analysing and prioritising the categories of purchases presenting risks based on ethical, social and environmental criteria. This process was carried out in two stages. First, by identifying theoretical CSR risks in Purchasing, as part of a joint project with three other banks and supported by AFNOR. (AFNOR pivot nomenclature) Second, a mapping of the CSR risks specific to the Purchasing activities of Crédit Agricole S.A. was established (Crédit Agricole S.A purchasing nomenclature).

This approach has made it possible to prioritise purchasing categories according to four levels of CSR risk based on the intrinsic gravity of a risk and its probability of occurrence. For categories with the highest levels of risk (real estate, promotional items, IT), the Group Purchasing department has decided to strengthen its CSR assessment system and apply specific risk prevention measures (diagnosis, recommendations and CSR issues specific to the offer) in addition to the general measures taken as part of the "Responsible Purchasing" policy.

In 2019, the three categories identified were the subject of three different projects due to specific issues related to the level of maturity of suppliers:

- For the "works/real estate" category, in which the players are numerous and complex to grasp, an initial project consisted in identifying the main players in the sector. These work were carried out by the Group Purchasing Department in collaboration with the buyers of the two main entities most active in this category, Crédit Agricole Immobilier and LCL. A CSR evaluation campaign of these suppliers was launched by each of these entities.
- For the promotional items category, a listing of Crédit Agricole Group suppliers that includes numerous questions on social, environmental and ethical issues is a first step towards mitigating CSR risks. Three of the four distributors listed have a very good EcoVadis (gold) rating, while the fourth has embarked on an improvement plan. At the same time, actions have been carried out with specifiers to raise their awareness of CSR issues related to purchasing and to invite them to systematically go through the panel's suppliers.

- For the hardware and computer servers category, the Group Purchasing Department organised meetings with the main suppliers. As this sector is fairly mature on societal issues, the approach was very virtuous and made it possible to exchange views on each party's responsible purchasing policies and on the concrete actions implemented within the companies. At the end of these exchanges, it was decided to work together to formalise a specific questioning grid on the products purchased, which can be used with the Group's Tier 1 suppliers, and to initiate it so that it can also be used throughout the supply chain. Lastly, work is underway on a joint project as part of an open innovation initiative on the theme: "How can we reduce the environmental footprint of IT?"

In calls for tenders, the score obtained on the CSR criteria is an integral part of the choice of a good or service in the award of the contract to the supplier. The more the purchasing category is identified as being at risk, the more important the CSR rating becomes in the multi-criteria grid. In 2019, the decision was made to increase the percentage attributed to the CSR criterion in the overall score from 10 to 15% to make it a discriminating criterion in the choice of supplier in calls for tenders. This decision took effect from 1 January 2020.

Additional elements relating to the approach taken by the Group Purchasing department are presented in the non-financial performance statement (see Chapter 2, part 4.2 "responsible purchasing").

Financing and investment activities of Crédit Agricole S.A.

Assessing and managing major direct climate, environmental, societal and governance issues (ESG) risks in our financing and investments

For several years, Crédit Agricole S.A. has been committed to an approach that integrates environmental, societal and governance (ESG) risks into its decision-making criteria.

Investments

As a signatory to the Principles for Responsible Investment (PRI) since their launch in 2006, Amundi includes environmental, social and governance (ESG) criteria in its analysis process and investment decisions, in addition to financial criteria. Accordingly, Amundi's ESG policy is as follows:

- a strict exclusion policy for issuers (companies and governments) that do not meet the ESG criteria adopted by the Group;
- a systematic ESG analysis of companies, summarised by a proprietary ESG rating, consisting of several criteria based on both international standards and the assessments of recognised rating agencies, which takes into account major environmental, social and governance issues such as climate change, child labour and transparency in business conduct;
- distribution of ESG ratings to all managers;
- a commitment policy aimed at developing companies towards best practices;
- a voting policy that integrates ESG issues.

Amundi has set itself the objective of systematically taking ESG considerations into account in its voting policy, based on a three-year action plan (https://www.amundi.fr/fr_instit/Local-content/Responsible-Investment/Un-plan-d-actions-ESG-a-3-ans).

The Crédit Agricole Assurances Group has also been a signatory to the Principles for Responsible Investment (PRI) since 2010. In 2017, it developed and published a CSR policy, based on a mapping of the CSR risks associated with its activities, which defines its framework for action and is divided into its three business lines: insurer, investor and employer. This policy describes its approach to integrating non-financial criteria into its investment processes.

Crédit Agricole Assurances applies the same exclusion policy for issuers that do not meet the Group's ESG criteria, based on the list of excluded issuers maintained by Amundi. Government debt securities issued by the countries on that list are therefore excluded from investments. Except in justified cases, private issuers domiciled in those countries are also excluded.

Financing

In the area of project financing, Crédit Agricole CIB has developed a system for assessing and managing risks resulting from the environmental and social impacts of transactions and customers, which is described in its CSR Policy published in 2017 and codified in a governance rule.

Since 2003, Crédit Agricole CIB has been guided by the Equator Principles, to which it adhered from the onset. These principles are a voluntary commitment to carry out a detailed analysis of the environmental and social aspects of each new project financing and to require that projects be developed and operated in accordance with the environmental and social standards of the International Finance Corporation (IFC).

This ESG risk management system is based on three pillars:

- the application of the Equator Principles provides an appropriate methodological framework for assessing ESG risks for operations directly related to a project;
- the CSR sectoral policies published by the Group, which specify the criteria for analysis and exclusion in all transactions for sectors where social and environmental issues have been identified as the most important: arms, energy, mining, transportation, transport infrastructure, construction, agriculture and forestry (https://www.credit-agricole.com/RSE/Nos politiques sectorielles);
- an analysis of the environmental or social sensitivity of transactions or customers regarding the management of the environmental and social impacts related to the projects financed or the customers' CSR approach, which is assessed in accordance with the principles of the sectoral policies of the Bank.

This system for assessing and managing environmental and social risks is supervised by an umbrella committee, the Committee for the Evaluation of Transactions presenting an Environmental or Social Risk (CERES), chaired by the Head of Crédit Agricole CIB's Compliance function.

Paying particular attention to climate risk management in financing and investing

Aware of the increase in global warming caused by greenhouse gas (GHG) emissions, Crédit Agricole aims at strengthening its action and commitments in favor of energy transition and the integration of climate risks by adopting a Group climate strategy in 2019. All Crédit Agricole S.A. entities shall apply this strategy, in line with the 2015 Paris Accord, which obliges signatory States to limit global warming to +2° by 2100, based on the recommendations of the Intergovernmental Panel on Climate Change (IPCC). It will enable a gradual reallocation of its financing and investment portfolios and assets under management in favour of the energy transition (see Chapter 2, part 3.2 "Green finance: one of the keys to growth for the Group").

In 2019, the Group set up a dedicated governance structure to steer its climate strategy, with the mission of reconciling the economic development of territories and the climate trajectory (see Chapter 2, part 3.2.1 "Governance").

For a number of years, the Group has undertaken work designed to better understand and manage climate risks and aims to continue to do so:

- by quantifying the carbon footprint of its financing and investment portfolio;
- by drawing up sector policies for the sectors covering over 80% of this footprint;
- by gradually introducing an analysis linked to the consideration of global warming issues and a carbon price in the analysis of credit files. The goal is to determine the most relevant climate risk or risks for the Bank and to develop a methodology to assess them.

Particular attention paid to climate risk management has also resulted in the revision of the Group's sectoral policy on energy in the oil and gas sector, excluding the financing of the least efficient hydrocarbons. This development is in addition to the general policy of withdrawing funding from coal-related activities, which has been in place since 2015. In 2019 the Group decided to strengthen its commitments in financing the energy transition: to exit from thermal coal in 2030 in the EU and the OECD (no development of relationships with companies whose coal activity represents more than 25% of their business except with those that have announced plans to phase out their thermal coal activities or which intend to announce such plans by 2021. No commercial relationship with companies developing or planning to develop new thermal coal capacity).

Additional information describing the steps taken to integrate ESG and climate risks into financing and investment activities is presented in the non-financial performance statement and in the CSR reports of Group entities (see Chapter 2, part 3.2 "Green finance: one of the keys to growth for the Group" and part 3.3 "Crédit Agricole: an influential player for a more inclusive and less carbon-intensive economy").

Alert and notification system

The Group's body of procedures in the area of Compliance includes a procedure on the right to alert. In order to strengthen risk prevention, the centralised system for reporting alerts and collecting notifications made available to all Group employees as part of the fight against fraud and corruption was extended in 2018 to allow facts falling within the scope of the Group's duty of vigilance and ethical commitments, as defined in its Code of Ethics and in the Codes of Good Conduct adopted by each entity.

This system, the development of which has been shared with Crédit Agricole S.A.'s representative trade unions, is now open not only to employees but also to third parties. An awareness-raising message on the right to alert was sent by the Chief Executive Officer of Crédit Agricole S.A. to all employees of the Group. In order to facilitate alerts relating to, among other things, human rights, health and safety or the environment, these can now be made via a digital reporting and the alert processing tool that is accessible through a link on our website: https://www.credit-agricole.com/le-groupe/ethique-et-conformite/lanceur-d-alerte, or at the convenience of the person wishing to issue an alert, by any written means. Confidentiality about the identity of persons filing a report is standard rule for alerts in accordance with European regulations.

This alert processing tool was implemented within Crédit Agricole S.A. corporate entity in September 2018 and will be fully deployed in Crédit Agricole S.A.'s entities in 2020. It is now available in nine languages (French, English, German, Spanish, Italian, Dutch, Portuguese, Polish, Ukrainian) which will be supplemented by Romanian and Serbian. It will facilitate the quantitative and qualitative analysis of alerts (number and type of alerts) which will contribute to the assessment of the risks of non-compliance and the evolution of the prevention measures implemented (see Chapter 2, part 1.2.1 "A Group concerned with protecting the interests of its customers and the confidence of its stakeholders").

An Alert Management Committee was also set up in October 2019, which intervenes as necessary depending on the sensitivity of an alert and will meet at least once a year to analyse the Alert Launcher system (statistical elements, analysis of the reason for the alerts as well as their geographical area of emission).

System for monitoring implemented actions and evaluating their performance

Crédit Agricole S.A.'s vigilance plan is the sum of complementary risk prevention policies, each with its own governance, processes and associated action plans, which respond to the areas of vigilance determined by Crédit Agricole S.A. and are monitored by global coordination at the highest level of the Company. The monitoring of the actions implemented is based on indicators of means or results to ensure that they effectively meet the objectives of the law. A summary of these indicators is presented at the end of the report on the 2019 vigilance plan.

In addition, environmental, social and governance issues are at the heart of "Ambitions 2022", the strategic project of the Group. Each of the three major projects make up this strategic plan includes policies and action plans to address the main risks identified, with corresponding performance indicators that are detailed in the non-financial performance statement (see Chapter 2). The management of non-financial risks in the Group covers a broader scope than Crédit Agricole S.A.'s due diligence plan, notably due to our voluntary commitments, which go beyond the legal framework and extend throughout Crédit Agricole Group. Consequently, the indicators mentioned in the non-financial performance statement may supplement the vigilance plan monitoring indicators mentioned in this report.

Finally, the main tool for deploying and steering the Group's societal and environmental commitments is the internal system FReD, deployed within the Group since 2012, which provides entities with a common framework to formalise CSR policies adapted to their activities and to assess their societal performance. The average of each entity's progress evaluation provides an index: "the Group FReD index". This index, like other criteria such as operating income, has an impact on the variable compensation of executives throughout the Group (see introduction to Chapter 2, part "Management of CSR performance with FReD").

Area of vigilance	Means/results indicator	Scope	2019
RELATIONSHIPS WITH THE CUSTOMERS OF CRÉDIT AGRICOLE S.A.			
Ensuring the security of customer's personal data and the transparency of their use	Percentage of Crédit Agricole S.A. entities participating in the FReD approach that have communicated the Group Code of Ethics to their employees	Crédit Agricole S.A.	100
	Number of Crédit Agricole S.A. entities participating in the FReD approach that have circulated a code of conduct	Crédit Agricole S.A.	15
Preventing discrimination in access to financial services and insurances	Number of financially vulnerable customers supported	LCL, CA Consumer Finance France	6,336
RELATIONSHIPS WITH EMPLOYEES OF CRÉDIT AGRICOLE S.A.			
Maintaining occupational health and ensuring equity in social protection	Average number of days of absence per employee ▪ Average number of days of absence per employee as a result of an industrial accident; ▪ Average number of days of absence per employee related to parenthood; ▪ Average number of days of absence per employee for other reasons	Crédit Agricole S.A.	18 0.4 5.8 11.8
	▪ Number of countries qualifying for the "Take Care" programme ▪ Number of employees qualifying for the "Take Care" programme	Crédit Agricole S.A.	4 8,326
Ensuring the safety and security of employees	Percentage of entities having trained their employees in safety habits (practice)	Crédit Agricole S.A.	100
	Percentage of employees trained in safety habits (e-learning)	Crédit Agricole S.A. (France)	50.67
	Percentage of expatriate employees in countries identified as "high risk" registered in the PLANIS monitoring tool	Crédit Agricole S.A.	100
Combating discrimination	Percentage of women in the highest decision-making bodies (*i.e.* the highest decision-making body of each entity, namely the Executive Committee when there is one or, failing that, the Management Committee)	Crédit Agricole S.A.	23.9
	Employment rate of people with disabilities in France (as a %)	Crédit Agricole S.A. (France)	3.58
Maintaining a social dialogue within the Group	Number of collective agreements entered into by the entities of Crédit Agricole S.A. Group: ▪ in France ▪ outside France	Crédit Agricole S.A.	125 80
RELATIONSHIPS WITH SUPPLIERS AND SUB-CONTRACTORS OF CRÉDIT AGRICOLE S.A.			
Ensuring that suppliers and sub-contractors with whom we have an established relationship accept commitments related to the Group's vigilance system	Percentage of contracts of the types made available by Crédit Agricole S.A. to its subsidiaries that include the "Duty of vigilance" clause	Crédit Agricole S.A.	100
	Percentage of contracts with active suppliers (>€50K) that include the "Duty of Vigilance" clause. *Methodology: sampling*	Crédit Agricole S.A. corporate entity	72
Assessing and managing significant environmental, social and governance (ESG) risks in our purchasing	Percentage of buyers of the Crédit Agricole S.A. Group who have completed the "Responsible Purchasing" training	Crédit Agricole S.A.	77
	Percentage of suppliers with a CSR assessment by EcoVadis in calls for tenders (cumulatively since 2014)	Crédit Agricole Group	59
FINANCING AND INVESTMENT ACTIVITIES OF CRÉDIT AGRICOLE S.A.			
ESG strategy (Financing)	Percentage of corporate customers evaluated on CSR criteria	CACIB	100
ESG strategy (Investments)	Outstandings incorporating an ESG filter (€bn)	Amundi	310.9
Climate strategy	Scope 3 GHG emissions (in $MMtCO_2e$)	Crédit Agricole Group	139
ALERT AND NOTIFICATION SYSTEM			
Alert follow-up	Number of alerts per year in the BKMS tool	Crédit Agricole S.A. (entities that deployed the tool in 2019)	24

Refer to the glossary page 647 for the definition of the technical terms.

2. ADDITIONAL INFORMATION ON CORPORATE OFFICERS

2.1 COMPOSITION OF THE BOARD OF DIRECTORS

At 31 December 2019:

Dominique Lefebvre	Chairman of the Board of Directors Chairman of the Regional Bank of Val de France Chairman of the Fédération nationale du Crédit Agricole Chairman of SAS Rue La Boétie
Raphaël Appert representative of SAS Rue La Boétie	Deputy Chairman of the Board of Directors Chief Executive Officer of the Regional Bank of Centre-est First Deputy Chairman of the Fédération nationale du Crédit Agricole Deputy Chairman of SAS Rue La Boétie
Pascale Berger	Crédit Agricole Regional Banks Employee Representative
Philippe Boujut(1)	Chairman of the Regional Bank of Charente-Périgord
Caroline Catoire	Corporate Director
Laurence Dors	Corporate Director
Daniel Épron	Chairman of the Regional Bank of Normandie
Véronique Flachaire(2)	Chief Executive Officer of the Regional Bank of Languedoc
Jean-Pierre Gaillard	Chairman of the Regional Bank of Sud Rhône-Alpes
Françoise Gri	Corporate Director
Jean-Paul Kerrien	Chairman of the Regional Bank of Finistère
Christiane Lambert	Chairwoman of the National Federation of Agricultural Holders' Unions (*Fédération nationale des syndicats d'exploitants agricoles*; FNSEA), representing professional farming associations
Monica Mondardini	Corporate Director Chief Executive Officer of CIR S.p.A.
Gérard Ouvrier-Buffet	Chief Executive Officer of the Regional Bank of Loire Haute-Loire
Catherine Pourre	Corporate Director Manager of CPO Services (Luxembourg)
Christian Streiff(1)	Corporate Director
Renée Talamona	Chief Executive Officer of the Regional Bank of Lorraine
Louis Tercinier	Chairman of the Regional Bank of Charente-Maritime Deux-Sèvres
François Thibault(1)	Chairman of the Regional Bank of Centre Loire
François Heyman	Representing the employees (UES Crédit Agricole S.A.)
Simone Védie	Representing the employees (UES Crédit Agricole S.A.)
Pierre Cambefort	Non-voting Director Chief Executive Officer of the Regional Bank Nord Midi-Pyrénées
Philippe de Waal	Non-voting Director Chairman of the Regional Bank Brie Picardie
Bernard de Drée	Representative of the Economic and Social Committee

(1) Age limit – term of office ends May 2020.

(2) Resigner, asserts her retirement rights.

Risks Committee:	Risks 5 members	Compensation Committee	COREM 6 members
US Risks Committee:	US 3 members	Appointments and Governance Committee.	CNG 6 members
Audit Committee:	Audit 6 members	Strategy and CSR Committee	Strat/CSR 7 members

Presentation of the Board of Directors as at 31 December 2019	Origin	Age	1st term of office / Term of office ends	Attendance	Areas of expertise	Committees Chairman: Green Member: Black
Dominique Lefebvre *Chairman of the Board of Directors* *Chairman of the Regional Bank Val-de-France, FNCA, and SAS Rue La Boétie*		58	2015(1) / 2022	100%		Strat/CSR; CNG
Raphaël Appert *Representative of SAS Rue La Boétie* *Deputy Chairman of the Board of Directors* *Chief Executive Officer of the Regional Bank Centre-est* *First Deputy Chairman of FNCA* *Deputy Chairman of SAS Rue La Boétie*		58	2017 / 2021	100%		CNG; Strat/CSR
Pascale Berger *Crédit Agricole Regional Banks Employee Representative*		58	2013 / 2021	90%		
Philippe Boujut(2) *Chairman of the Regional Bank Charente-Périgord*		65	2018 / 2021(2)	100%		
Caroline Catoire *Corporate Director*		64	2011 / 2020	100%		US; audit
Laurence Dors *Corporate Director*		63	2009 / 2020	100%		COREM; Audit; CNG
Daniel Épron *Chairman of the Regional Bank of Normandie*		63	2014 / 2020	100%		COREM; Strat/CSR
Véronique Flachaire(3) *Chief Executive Officer of the Regional Bank Languedoc*		62	2010 / 2022(3)	90%		Risks; US
Jean-Pierre Gaillard *Chairman of the Regional Bank Sud Rhône-Alpes*		59	2014 / 2022	100%		Audit; CNG
Françoise Gri *Corporate Director*		62	2012 / 2020	100%		Risks; US; Audit; COREM; Strat/CSR
Jean-Paul Kerrien *Chairman of the Regional Bank Finistère*		58	2015 / 2022	100%		COREM
Christiane Lambert *Chairwoman of the FNSEA* (Fédération nationale des syndicats d'exploitants agricoles)		58	2017 / 2020	30%		
Monica Mondardini *Chief Executive Officer of CIR S.p.A.*		59	2010 / 2021	80%		CNG
Gérard Ouvrier-Buffet *Chief Executive Officer of the Regional Bank Loire Haute-Loire*		62	2013 / 2020	100%		Audit
Catherine Pourre *Corporate Director* *Manager of CPO Services (Luxembourg)*		62	2017 / 2020	90%		Audit; Risks
Christian Streiff(2) *Corporate Director*		65	2011 / 2020(2)	90%		Risks; COREM; Strat/CSR
Renée Talamona *Chief Executive Officer of the Regional Bank Lorraine*		62	2016 / 2021	100%		Strat/CSR
Louis Tercinier *Chairman of the Regional Bank Charente-Maritime Deux-Sèvres*		59	2017 / 2021	100%		CNG
François Thibault (2) *Chairman of the Regional Bank Centre Loire*		64	2015 / 2020(2)	100%		Risks; Strat/CSR
François Heyman *Employees representative*		60	2012 / 2021	90%		COREM
Simone Védie *Employees representative*		59	2018 / 2021	100%		
KEY INDICATORS *AVERAGE*		**61**		**93%**		

(1) Chairman since 2015 (2007-2009: Director as natural person; 2009-2015: Representative of SAS Rue La Boétie).

(2) Age limit – term of office ends May 2020.

(3) Resigner, asserts her retirement rights.

Refer to the glossary page 647 for the definition of the technical terms.

Presentation of the Board of Directors as at 31 December 2019	Origin	Age	1st term of office / Term of office ends	Attendance	Areas of expertise
Pierre Cambefort *Non-voting Director* *Chief Executive Officer of the Regional Bank of Nord Midi-Pyrénées*		55	2018 / 2021	100%	
Philippe de Waal *Non-voting Director* *Chairman of the Regional Bank of Brie Picardie*		64	2018 / 2021	100%	
Bernard de Drée *Representative of the Economic and Social Committee*	ESC	65	2012 / 2022	100%	

LEGEND FOR THE ABOVE TABLE

Directors who are the Chairmen or Chief Executive Officers of a Crédit Agricole Regional Bank.
Director who is an employee of a Regional Bank.
Director, Chief Executive Officer of Crédit Agricole Regional Bank, representing SAS Rue La Boétie.

Independent Directors.

Non-voting Directors.

Representing farming organisations, appointed by joint order of the Ministers of Agriculture and Finance.

Directors elected by the staff of Unité Économique et Sociale (UES) of Crédit Agricole S.A.

ESC Representative of the Economic and Social Committee.

Bank, Finance.

Elected mutualist.

International.

Management of major organisations.

CSR.

Expertise related to the exercise of a mandate as employee representative.

Committee attendance rate: see page 124.

2.2 POSITIONS HELD BY CORPORATE OFFICERS

The information appearing below on positions held by members of the Board of Directors and Executive Management is required by Article L. 225-37-4, paragraph 1, of the French Commercial Code and amended by the Order No. 2017-1180 of 19 July 2017, Article 3.

Crédit Agricole S.A. Board of Directors at 31 December 2019

Dominique LEFEBVRE

Main office within the Company: **Chairman of the Board of Directors**
Chairman of the Strategy and CSR Committee
Member of the Appointments and Governance Committee

Business address: Regional Bank Val-de-France – 1, rue Daniel-Boutet – 28002 Chartres

BIOGRAPHY

Dominique Lefebvre has held numerous positions within professional farming associations. He got involved in Crédit Agricole's working bodies very early on and, in 1995, was elected Chairman of Crédit Agricole de la Beauce et du Perche, now Crédit Agricole Val-de-France (1997). He also holds several national positions. Initially elected member of the Bureau of the Fédération nationale du Crédit Agricole – FNCA – in 2004, he became Deputy Chairman thereof in 2008, then Chairman in 2010. On this basis, he was also Chairman of SAS Rue La Boétie, Crédit Agricole S.A.'s majority shareholder, before being elected Chairman of Crédit Agricole S.A. in November 2015.

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- Elected mutualist;
- CSR.

Born in 1961

French nationality

Date first appointed: November 2015[(1)]

Term of office ends: 2022

Number of Crédit Agricole S.A. shares held at 31/12/2019: 4,273

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Val-de-France, Fédération nationale du Crédit Agricole – FNCA, SAS Rue La Boétie, Sacam Participations, Sacam International, Fondation Crédit Agricole Solidarité et Développement (CASD)
- Chairman of the Management Committee: GIE Gecam
- Deputy Chairman: Sacam Développement
- Manager: Sacam Mutualisation
- Director: Crédit Agricole Foundation – Pays de France, SCI CAM

In other listed companies

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In other non-listed companies

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Other positions

- Chairman: Finance Commission of the Chamber of Agriculture *(Chambre d'agriculture)* of Eure-et-Loir
- Deputy Chairman: CNMCCA
- Director: *Un Avenir Ensemble* Foundation
- Member: French Agricultural Council *(Conseil de l'agriculture française)*

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Deputy Chairman: Crédit Agricole S.A. (2015)
- Chairman: Adicam (2015)

In other listed companies

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In other non-listed companies

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Other positions

- Chairman: *Confédération nationale de la mutualité, de la coopération et du Crédit Agricole* – CNMCCA (2015)
- Member: Economic, Social and Environmental Council *(Conseil économique, social et environnemental)* (2015)
- Manager: EARL de Villiers-le-Bois (2018)

(1) Chairman since 2015 (2007-2009: Director as natural person; 2009-2015: Representative of SAS Rue La Boétie).

Refer to the glossary page 647 for the definition of the technical terms.

Representative of SAS Rue La Boétie: Raphaël APPERT

Main office within the Company: **Deputy Chairman of the Board of Directors**
Member of the Strategy and CSR Committee – Member of the Appointments and Governance Committee

Business address: Regional Bank of Centre-est – 1, rue Pierre-de-Truchis-de-Lays – 69410 Champagne-au-Mont-d'Or

BIOGRAPHY

Aged 58 and a graduate of EDHEC (Lille 1983), Raphaël Appert has spent his entire career at Crédit Agricole. Having joined the network of branches of Crédit Agricole du Nord-Est in 1983, he subsequently became Manager of the Commercial Network of Crédit Agricole de la Sarthe in 1995, then Finance and Marketing Manager of Crédit Agricole de l'Anjou et du Maine in 1998. He has been Deputy General Manager of Crédit Agricole Centre-est since 2002. In 2005, the Board of Directors of Crédit Agricole Val-de-France chose him as Chief Executive Officer. He has been the Chief Executive Officer of Crédit Agricole Centre-est since 2010. Elected as an Officer of the Bureau of the Fédération nationale du Crédit Agricole in 2012, he became Deputy Corporate Secretary in 2015, then First Deputy Chairman in May 2017. Within the Crédit Agricole Group, Raphaël Appert's positions notably include those of Chairman of Sacam Développement and Director of Fondation Grameen Crédit Agricole.

AREAS OF EXPERTISE

- Banking, finance;
- Management of major organizations;
- CSR.

Born in 1961

French nationality

Date first appointed: May 2017 (SAS Rue La Boétie)

Term of office ends: 2021

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019: 8,238 (personally owned)

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chief Executive Officer: Regional Bank Centre-est; Sacam International
- Deputy Chairman: SAS Rue La Boétie
- First Deputy Chairman: Fédération nationale du Crédit Agricole – FNCA
- Chairman: Sacam Développement, SAS Carvest
- Director: Crédit Agricole Financements, Fondation du Crédit Agricole – Pays de France, Sacam Participations
- Management Committee member: GIE Gecam
- Manager: Sacam Mutualisation
- Director: Fondation Grameen Crédit Agricole

In other listed companies

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In other non-listed companies

- Director: Siparex Associés

Other positions

- Association of the Founders and Protectors of the Catholic Institute of Lyon *(Association des fondateurs et protecteurs de l'Institut catholique de Lyon;* AFPCIL)
- Chairman of the Club of Fine Art Museums *(Club des musées des Beaux-Arts)*

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Chairman: Pacifica (2017), Crédit Agricole Assurances (2017)
- Director: Amundi (2015), Predica (2017)
- Supervisory Board member: Crédit Agricole Bank Polska (2017)
- Deputy Corporate Secretary: Fédération nationale du Crédit Agricole – FNCA (2017)

In other listed companies

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In other non-listed companies

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Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Pascale BERGER

Main office within the Company: Director representing Crédit Agricole Regional Banks employees

Business address: Regional Bank of Franche-Comté – 11, avenue Élisée-Cusenier – 25000 Besançon

BIOGRAPHY

Pascale Berger holds a DEA *(diplôme d'études approfondies)* in business law and a DESS *(diplôme d'études spécialisées)* in rural law. She spent most of her career at the Regional Bank of Franche-Comté, first as Portfolio Manager in the Litigation department (1988-1992), then Business Manager in the Training department (1992-2005). She subsequently joined the Permanent Control department, then became an Internal Auditor. In 2014, she joined the Innovation and Transformation division, with responsibility for the documentary database. In April 2017, she became Communications Officer. She was elected Assistant Secretary and became Chairwoman of the Mutuelle (Health insurance) Commission of the Regional Bank of Franche-Comté works council.

AREAS OF EXPERTISE

Banking, finance;

CSR;

Expertise related to the exercise of a mandate as employee representative.

Born in 1961

French nationality

Date first appointed:
May 2013

Term of office ends:
2021

Number of Crédit Agricole S.A. shares held at 31/12/2019:
10

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019:
1,004

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Communications Officer: Regional Bank of Franche-Comté
- Deputy Secretary: Social and Economic Committee of Franche-Comté
- Chairwoman of the Mutuelle Commission: Franche-Comté works council

In other listed companies

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In other non-listed companies

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Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Advisor: Chorale Doc (Regional Bank of Franche-Comté documentary database, 2017)
- Activity Manager in the Innovation Department (2017)

In other listed companies

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In other non-listed companies

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Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Philippe BOUJUT

Main office within the Company: Director

Business address: Regional Bank Charente-Périgord – 28-30, rue d'Epagnac – 16800 Soyaux

BIOGRAPHY

A winegrower, Philippe Boujut has owned vineyards in the Cognac region since 1976. He founded and developed a company selling and exporting viticulture products (1995-2005). He was elected Deputy Mayor of Saint-Preuil (1983-1995), and then Mayor of that municipality (1995-2008). He was elected Director of the local bank of Crédit Agricole de Segonzac (1983) and then became its Chairman (1986). After having been a member of the Board of Regional Bank of Charente-Périgord (1998), he was elected as its Deputy Chairman (2009), then its Chairman (2012).

AREAS OF EXPERTISE

Banking, finance;

Elected mutualist;

CSR.

Born in 1954

French nationality

Date first appointed: May 2018 (Director)

Term of office ends: 2021[(1)]

Number of Crédit Agricole S.A. shares held at 31/12/2019: 204

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank of Charente-Périgord
- Director: Fireca, Camca Courtage, Grand Sud-Ouest Capital, Grand Sud-Ouest Innovation
- Member of the Executive Committee: Sacam Fireca
- Member of the Supervisory Board: Camca Courtage
- Member of the R&D Committee and Strategy Committee: CA INNOVE

In other listed companies

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In other non-listed companies

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Other positions

- Director: Poitiers University Foundation
- Member: French Farmers and International Development Association *(Agriculteurs français et développement international;* AFDI), *Confédération régionale de la mutualité, de la coopération et du Crédit Agricole* (CRMCCA)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Non-voting Director: Crédit Agricole S.A. (2018)

In other listed companies

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In other non-listed companies

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Other positions

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(1) Age limit – term of office ends May 2020.

Caroline CATOIRE

Main office within the Company: Director
Member of the Audit Committee – Member of the US Risks Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

A former student of the *École polytechnique*, Caroline Catoire held various positions in the Total Group from 1980 to 1998: within the Economic Research department, the Oil Trading department, and then the Finance department as Head of Management Audit, and Head of Corporate Finance. She then joined Société Générale and served as the Head of Management Audit of its investment bank (1999-2002). She broadened her experience in the financial sector, serving as CFO in various companies: Sita France, then Saur Group and Metalor Group. Since December 2015, she has been a consultant in the financial sector.

AREAS OF EXPERTISE

- Banking, finance;
- Management of large organizations;
- CSR.

Born in 1955
French nationality

Date first appointed:
May 2011

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2019:
1,139

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

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In other listed companies

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In other non-listed companies

- Independent Director, Chairwoman of the Ethics and Sustainable Development Committee, Member of the Audit Committee: Roquette Group

Other positions

- Chairwoman: C2A Conseil

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

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In other listed companies

- Director and Audit Committee member: Maurel & Prom International (2015)

In other non-listed companies

- Chief Financial Officer and Executive Committee member: Metalor Group (2015)
- Non-voting Director: Roquette Group (2018)

Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Laurence DORS

Main office within the Company: Director
Chairwoman of the Compensation Committee
Member of the Audit Committee – Member of the Appointments and Governance Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

A former senior civil servant in the French Ministry of Finance and the Ministry of Economic affairs (1994-1995), and later the Prime Minister's cabinet (1995-1997), Laurence Dors has spent much of her professional career in executive management positions of international groups (Lagardère, EADS, Dassault Systèmes, Renault), then as Cofounder and Senior Partner of the consulting firm Theano Advisors *(2012-2018),* she is a specialist in governance issues and an independent Director. She sits on the Board of Directors of the French Institute of Directors *(Institut français des administrateurs)* and Capgemini.

AREAS OF EXPERTISE

Banking, finance;

International;

Management of large organizations;

CSR.

Born in 1956
French nationality

Date first appointed: May 2009

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2019: 1,126

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

–

In other listed companies

- Independent Director; Chairwoman of the Compensation Committee; Member of the Ethics and Governance Committee; Member of the Audit and Risks Committee: Capgemini

In other non-listed companies

- Independent Director; Chairwoman of the Compensation Committee; Member of the Commitments Committee: EGIS SA

Other positions

- Director: French Institute of Directors (*Institut français des administrateurs;* IFA)
- Member: Advisory Committee of the Institute of Higher Studies of Latin America (*Institut des hautes études de l'Amérique latine;* IHEAL); Franco-German Economic Club (*Club économique franco-allemand;* CEFA)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

- Senior Partner: Theano Advisors (2018)

Other positions

- Director: National Institute of Higher Studies of Security and Justice (*Institut national des hautes études de la sécurité et de la justice;* INHESJ) (2016)

Refer to the glossary page 647 for the definition of the technical terms.

Daniel ÉPRON

Main office within the Company: Director

Member of the Strategy and CSR Committee – Member of the Compensation Committee

Business address: Regional Bank of Normandie – 15, esplanade Brillaud-de-Laujardière – CS 25014 – 14050 Caen Cedex 4

BIOGRAPHY

Daniel Épron is a farmer in the Orne region. He has held a number of elected positions, especially in the agricultural sector: He was Deputy Corporate Secretary of the Young Farmers' Centre *(Centre national des jeunes agriculteurs)* (1989-1992), a member of the Economic, Social and Environmental Council of Basse-Normandie *(Conseil économique, social et environnemental régional de Basse-Normandie)* (1989-2013), Chairman of the Regional Chamber of Agriculture of Normandy *(Chambre régionale d'agriculture de Normandie)* (1995-2007), and a Regional Councillor for Basse-Normandie (2001-2004). Chairman of the local bank of Crédit Agricole de l'Aigle (1990-2005), he chaired the Regional Bank of l'Orne from 1995 to 1997, and has chaired the Regional Bank of Normandie (post merger) since 2006. He is Deputy Chairman of Fédération nationale du Crédit Agricole – FNCA and has been a member of the Economic, Social and Environmental Council (Conseil économique, social et environnemental) since the end of 2015.

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1956

French nationality

Date first appointed: May 2014

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2019: 874

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Normandie, Sofinormandie
- Deputy Chairman: Fédération nationale du Crédit Agricole – FNCA
- Director: SAS Rue La Boétie, Cariparma, SCI CAM
- Management Committee member: GIE Gecam; SACAM Participations

In other listed companies

–

In other non-listed companies

–

Other positions

- Partner: SCI Samaro
- Director: Normandy Development Agency (*Agence pour le développement de la Normandie;* ADN)
- Member: Economic, Social and Environmental Council (*Conseil économique, social et environnemental;* CESE)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Chairman CA'INNOV (2019)
- Director: Crédit Agricole Technologies et Services (2019)

In other listed companies

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In other non-listed companies

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Other positions

- Manager: GFA de Belzaise (2018)

Refer to the glossary page 647 for the definition of the technical terms.

Véronique FLACHAIRE

Main office within the Company: Director
Member of the Risks Committee – Member of the US Risks Committee

Business address: Regional Bank of Languedoc – Avenue du Montpelliéret-Maurin – 34970 Lattes

BIOGRAPHY

Véronique Flachaire is a chemical engineer and graduate of Sciences Po Paris, and has spent her entire career at the Crédit Agricole Group. With an executive position in the Regional Bank of Midi, she was then appointed Deputy General Manager of the Regional Bank of Sud-Ouest. She ran the Inforsud Group and then the Group's subsidiary dedicated to payment instruments – Cédicam – (2004-2007), before joining Crédit Agricole S.A. as Director of Relations with Regional Banks. Backed by her diverse range of experience in all areas of banking, she was appointed Chief Executive Officer of the Regional Bank Charente-Maritime Deux-Sèvres in 2009 and currently serves the same position in the Regional Bank of Languedoc since 2012.

AREAS OF EXPERTISE

- Banking, finance;
- Management of major organizations;
- CSR.

Born in 1957

French nationality

Date first appointed:
February 2010

Term of office ends:
2022[1]

Number of Crédit Agricole S.A. shares held at 31/12/2019:
1,500

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019:
687

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chief Executive Officer*: Regional Bank Languedoc*
- Chairwoman: Crédit Agricole Technologies et Services, Crédit Agricole Group Infrastructure Platform
- Director: CCPMA, Adicam, Sofilaro, Crédit Agricole Payment Services

In other listed companies

–

In other non-listed companies

–

Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Chairwoman: Santeffi (2016) – Deltager (2016) – CA Paiement (2016) – Progica (2018)
- Director: HECA (2016), Deltager (2018)

In other listed companies

–

In other non-listed companies

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Other positions

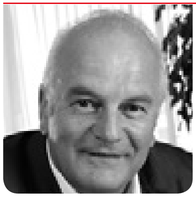
- Chairwoman: French Banking Federation *(Fédération bancaire française)* of Languedoc-Roussillon (2016)

(1) Resigner, asserts her retirement rights.

Jean-Pierre GAILLARD

Main office within the Company: Director
Member of the Audit Committee – Member of the Appointments and Governance Committee

Business address: Regional Bank Sud Rhône-Alpes – 12, place de la Résistance – 38000 Grenoble



BIOGRAPHY

Jean-Pierre Gaillard is a wine grower, tourist activity manager and Municipal Councillor in Saint-Jean-le-Centenier. He has been Chairman of the local bank Crédit Agricole de Villeneuve-de-Berg since 1993. After having sat on the Board of the Regional Bank of Ardèche, then of the Regional Bank Sud Rhône-Alpes, he was elected Chairman of the latter in 2006. Being particularly committed to local development and environmental economics, he chairs Crédit Agricole Group's Energy and Environment Committee. He holds a number of offices within national bodies, including in the Bureau fédéral of the Fédération nationale du Crédit Agricole – FNCA.

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1960

French nationality

Date first appointed: May 2014

Term of office ends: 2022

Number of Crédit Agricole S.A. shares held at 31/12/2019: 2,246

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Sud Rhône Alpes, Adicam; Energy and Environment Committee (FNCA)
- Deputy Chairman: Management Committee of Fomugei; Association of CR Chairs (FNCA)
- Director: SAS Rue La Boétie
- Director and Audit Committee member: LCL
- Supervisory Board member: CA Titres

In other listed companies

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In other non-listed companies

–

Other positions

- Municipal Councillor: Saint-Jean-le-Centenier (Ardèche)
- Director: Banque de France de l'Ardèche

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Deputy Chairman: Crédit Agricole Solidarité Développement – CASD (2015); Fédération nationale du Crédit Agricole – FNCA (2018)
- Treasurer: Fédération nationale du Crédit Agricole – FNCA (2015)
- Chairman: Amicale Sud (2017)

In other listed companies

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In other non-listed companies

–

Other positions

–

Refer to the glossary page 647 for the definition of the technical terms.

Françoise GRI

Main office within the Company: Director
Chairwoman of the Risks Committee – Chairwoman of the US Risks Committee
Member of the Audit Committee – Member of the Compensation Committee – Member of the Strategy and CSR Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

Françoise Gri is a graduate of *École nationale supérieure d'informatique et de mathématiques appliqués* in Grenoble. She began her career in the IBM Group and was appointed Chairwoman and CEO of IBM France in 2001. 2007 saw her move to Manpower as Chairwoman and CEO of its French subsidiary, before going on to become ManpowerGroup Executive Vice President for Southern Europe (2011). An accomplished senior manager with extensive international experience, she then took up the position of Chief Executive Officer of the Pierre & Vacances-Center Parcs Group (2012-2014). An Independent Director, she is a specialist in IT and Corporate Social Responsibility. Françoise Gri has published two books: *Women Power, Femme et Patron* in 2012; *Plaidoyer pour un emploi responsable* in 2010.

AREAS OF EXPERTISE

International;

Management of major organizations;

CSR.

Born in 1957

French nationality

Date first appointed: May 2012

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2019: 2,076

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Independent Director, member of the Risks Committee: Crédit Agricole CIB

In other listed companies

- Independent Director: Edenred S.A.
- Director and Audit Committee member: WNS Services

In other non-listed companies

- Manager: F. Gri Conseil

Other positions

- Chairwoman of the Supervisory Board: INSEEC-U (business school)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

- Chairwoman: Viadeo (2016)

In other non-listed companies

–

Other positions

- Deputy Chairwoman: Institute of Business *(Institut de l'entreprise)* (2015)
- Member: Corporate Governance High Committee; MEDEF Ethics Committee (2016); French Tourism Institute *(Institut français du tourisme)* (2015)
- Independent Director: 21 Centrale Partners (2019)
- Director: Audencia Business School (2019)

Refer to the glossary page 647 for the definition of the technical terms.

Jean-Paul KERRIEN

Main office within the Company: Director
Member of the Compensation Committee

Business address: Regional Bank of Finistère – 7, route du Loch – 29555 Quimper

BIOGRAPHY

A farmer specialising in organic vegetable production, Jean-Paul Kerrien has been Chairman of the local bank Taulé since 1996. He has been Director of the Regional Bank of Finistère since 2006, where he became Deputy Chairman in 2009 then Chairman in 2012. Reflecting his strong investment in the Group's agriculture, he has developed several cooperative production and distribution structures. He was a member of the Finistère Chamber of Agriculture *(Chambre d'agriculture du Finistère)* (2006-2012), for which he chaired the Agronomy Commission. Jean-Paul Kerrien also has responsibilities in the area of innovation. Chairman of Investing in Finistère *(Investir en Finistère)* from 2014 to 2017, he is committed to developing the economic attractiveness of the Finistère region.

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1961
French nationality

Date first appointed: November 2015 (Director)

Term of office ends: 2022

Number of Crédit Agricole S.A. shares held at 31/12/2019: 601

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank of Finistère, Fireca
- Director: Cofilmo, BforBank, Crédit Agricole en Bretagne, Crédit Agricole Egypt, SAS La Fabrique by CA

In other listed companies

–

In other non-listed companies

- Partner: Earl de Kererec, Sarl photovoltaïque de Kererec
- Chairman: SCIC Finistère mer vent

Other positions

- Director: *Investir en Finistère;* YNCREA Ouest

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Director: HECA (2015)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies

–

In other non-listed companies

–

Other positions

- Chairman: Investing in Finistère *(Investir en Finistère)* (2017)

Refer to the glossary page 647 for the definition of the technical terms.

Christiane LAMBERT

Main office within the Company: Director

Business address: FNSEA – 11, rue de la Baume – 75008 Paris

BIOGRAPHY

Born to a family of farmers, Christiane Lambert has been managing her own farm since 1980. She started in Massiac, in her native Cantal region, with a herd of dairy cows and some 40 sows. At the same time, she joined the union of young farmers (*Jeunes Agriculteurs;* JA), making her way up the various regional ranks: Chairwoman of the Young Farmers' Cantonal Centre (*Centre cantonal des jeunes agriculteurs;* CCJA) of Massiac (1981-1984), then Deputy Chairwoman of the Young Farmers' Departmental Centre (*Centre départemental des jeunes agriculteurs;* CDJA) of Cantal (1982-1988), she was also the first woman to chair the Young Farmers' Regional Centre (*Centre régional des jeunes agriculteurs;* CRJA) of Auvergne in 1986. In 1989, she moved to Maine-et-Loire to take over her parents-in-law's pig farm with her husband. She continued her trade union activities and became the first Chairwoman of the Young Farmers' National Centre (CNJA) (1994-1998). She has been a Director of the National Federation of Agricultural Holders' Unions (*Fédération nationale des syndicats d'exploitants agricoles;* FNSEA) since March 2002, and then a Board member since 2005, becoming the First Deputy Chairwoman in 2010. She is also Deputy Chairwoman of several organizations such as the Environment Commission *(Commission environnement)* and the Institute of Training for Agricultural Settings (*Institut de formation des cadres paysans;* IFOCAP) and also chaired the Forum of Farmers that Respect the Environment (*Forum des agriculteurs responsables respectueux de l'environnement;* FARRE) from 1999 to 2004 and VIVEA, the Fund for Ongoing Training of Living Products Entrepreneurs *(Fonds de formation continue des entrepreneurs du vivant)* from 2005 to 2017. In April 2017, she became the first woman to chair the National Federation of Agricultural Holders' Unions (*Fédération nationale des syndicats d'exploitants agricoles;* FNSEA).

AREAS OF EXPERTISE

- Management of major organizations;
- CSR.

Born in 1961

French nationality

Date first appointed: September 2017

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2019: 295

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

–

Other positions

- Chairwoman: National Federation of Agricultural Holders' Unions (*Fédération nationale des syndicats d'exploitants agricoles;* FNSEA)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

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Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Monica MONDARDINI

Main office within the Company: Director
Chairwoman of the Appointments and Governance Committee

Business address: CIR S.p.A. – Via Ciovassino, 1 – 20121 Milano

BIOGRAPHY

Graduate in economics and statistics from the University of Bologna (Italy), Monica Mondardini has held several executive positions within the publishing (Hachette) and then the insurance (Generali) sectors in Italy, Spain and France. In 2009 she joined one of the biggest Italian publishing groups, the Gruppo Editoriale L'Espresso, currently named GEDI Gruppo Editoriale, as Deputy Director. Since 2013 she has been the Managing Director of CIR S.p.A., a major industrial holding company listed on the Milan Stock Exchange, which controls GEDI Gruppo Editoriale in particular, Sogefi, a company operating in the automotive sector, and KOS, in the healthcare sector.

AREAS OF EXPERTISE

- Banking, finance;
- International;
- Management of major organizations.

Born in 1960

Italian nationality

Date first appointed:
May 2010

Term of office ends:
2021

Number of Crédit Agricole S.A. shares held at 31/12/2019:
519

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

–

In other listed companies

- Chief Executive Officer: CIR S.p.A.
- Chairwoman: Sogefi S.p.A. (CIR Group)
- Deputy Chairwoman: GEDI Spa (CIR Group)

In other non-listed companies

- Director: Kos (CIR Group)

Other positions

–

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

- Chief Executive Officer: GEDI Gruppo Editoriale (CIR Group) (2018)
- Independent Director Trevi Finanziaria Industriale S.p.A. (2018)
- Independent Director Atlantia S.p.A. (2019)

In other non-listed companies

- Chairwoman: Aeroporti di Roma S.p.A (Atlantia Group) (2017)

Other positions

–

Refer to the glossary page 647 for the definition of the technical terms.

Gérard OUVRIER-BUFFET

Main office within the Company: Director
Member of the Audit Committee

Business address: Regional Bank Loire Haute-Loire – 94, rue Bergson – BP 524 – 42007 Saint-Étienne Cedex 1

BIOGRAPHY

Gérard Ouvrier-Buffet has spent almost his whole career at the Crédit Agricole Group. He acquired comprehensive expertise in all aspects of retail banking working in the Regional Bank of Haute-Savoie (1982-1992), and Regional Bank of Midi (1992-1998). Appointed Deputy General Manager of Crédit Agricole Sud Rhône-Alpes in 1998, he has served as Chief Executive Officer of the Regional Bank Loire Haute-Loire since 2002. At the same time, he was Chairman of Predica and Crédit Agricole Assurances until 2013. He then spearheaded the launch and development of the real estate business line. Today, he is Chairman of Crédit Agricole Immobilier. He is Deputy Chairman of the Fédération nationale du Crédit Agricole – FNCA.

AREAS OF EXPERTISE

Banking, finance;

Management of major organizations;

CSR.

Born in 1957

French nationality

Date first appointed:
August 2013

Term of office ends:
2020

Number of Crédit Agricole S.A. shares held at 31/12/2019:
2,694

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019:
4,003

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chief Executive Officer: Regional Bank Loire Haute-Loire
- Chairman of the Board of Directors: SA Crédit Agricole Immobilier, SA Cofam, SAS Sircam, SAS Locam
- Chairman of the Audit and Risks Committee and Supervisory Board member: SA Crédit du Maroc
- Deputy Chairman: Fédération nationale du Crédit Agricole – FNCA
- Director: SAS Rue La Boétie, SAS Square Habitat Crédit Agricole Loire Haute-Loire, SAS Edokial, SA Défitech, SA Chêne Vert, SCI CAM; SACAM Participations
- Management Board member: SAS Uni-Médias (formerly Uni-Éditions)
- Management Committee member: GIE Gecam

In other listed companies

–

In other non-listed companies

- Director: Sacicap Forez-Velay
- Board Chairman: SAS Le Village by CA Loire Haute-Loire
- Founding Director: Corporate foundation *Crédit Agricole Loire Haute-Loire pour l'innovation;* Solidarity Gateway space

Other positions

- Treasurer: University Jean-Monnet in Saint-Étienne Foundation

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Director: SA Crédit Agricole Immobilier (2015)

In other listed companies

–

In other non-listed companies

–

Other positions

–

Catherine POURRE

Main office within the Company: Director
Chairwoman of the Audit Committee
Member of the Risks Committee

Business address: CPO Services – 13, rue d'Amsterdam – 1126 Luxembourg

BIOGRAPHY

Graduate of ESSEC, Certified Accountant, with a degree in business law from the Catholic University of Paris, Catherine Pourre has extensive experience in audit and organisation consulting, particularly as a partner at PricewaterhouseCoopers (1989-1999) then at Capgemini Ernst & Young France, where she became Executive Director in 2000. She joined Unibail-Rodamco in 2002 as Deputy Chief Executive Officer. She carried out various executive management functions as member of the Executive Committee, then member of the Management Committee. She has been the Manager and Director of CPO Services (Luxembourg) since June 2013. Catherine Pourre is also an experienced navigator. She is a *chevalier de la Légion d'honneur* and a *chevalier de l'Ordre national du mérite*.

AREAS OF EXPERTISE

- Banking, finance;
- International;
- Management of major organizations.

Born in 1957

French nationality

Date first appointed: May 2017 (Director)

Term of office ends: 2020

Number of Crédit Agricole S.A. shares held at 31/12/2019: 50

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Independent Director; Member of the Audit and Risks Committee: Crédit Agricole CIB

In other listed companies

- Chairwoman of the Audit Committee, representing the Strategic Investment Fund: Seb
- Member of the Supervisory Board and member of the Audit Committee and Compensation Committee: Bénéteau

In other non-listed companies

- Manager: CPO Services

Other positions

- Director and Treasurer: Association Class 40
- Member: Royal Ocean Racing Club (RORC)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Non-voting Director: Crédit Agricole S.A., Crédit Agricole CIB (2017)

In other listed companies

- Director, member of the Audit Committee and Chairwoman of the Compensation Committee: Neopost (2018)

In other non-listed companies

- Director: Unibail-Rodamco Management BV (2015)

Other positions

- Chairwoman: National Union for Ocean Racing (*Union nationale pour la course au large;* UNCL) (2015)
- Member: BoardWomen Partners (2019)

Refer to the glossary page 647 for the definition of the technical terms.

Christian STREIFF

Main office within the Company: Director
Member of the Risks Committee – Member of the Compensation Committee – Member of the Strategy and CSR Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

Born in Sarrebourg, Christian Streiff graduated at the top of his class from *École des mines de Paris* in 1977. He has spent his entire career in the world of industry and technology. With an international profile, he has headed senior management teams in France, Germany, the United States and Italy. He speaks German, English and Italian. From 1979 to 2005, he worked for the Saint-Gobain Group, first in production (automotive foundry at Halbergerhütte in Germany, 1979-1982), then in Management and Executive Management positions: in the fibre branch at Chambéry, France (1985); in the production of fibreglass for Gevetex in Germany (1988); in the packaging sector for Vetri Spa in Italy (1991). In 1994, he returned to France, where he was successively appointed Chief Executive Officer of Saint-Gobain Emballage (1996), Chairman of Pont-à-Mousson S.A. in Nancy (2000), Chairman of the High Performance Materials division (2003), and Chief Executive Officer of the Saint-Gobain Group (2005). He was then appointed Chairman of Airbus in 2005. In 2006, he joined the PSA Peugeot Citroën SA Group, where he served as Chairman of the Management Board. In 2009, due to a serious health problem, he was forced to leave his positions and undertake a long and ambitious process to rebuild his life. From 2012, he gradually returned to professional life, successively holding Director's positions in Germany (Continental, Thyssenkrupp) and France (Crédit Agricole) and co-heading innovative technology start-ups. In 2014, he was appointed Deputy Chairman of the Safran Group until May 2018. Director of NEOM, (since April 2019) the new city under construction in Saudi Arabia. Christian Streiffis in charge of two areas: industry and air transportation.

Christian Streiff is the author of two books: *Kriegspiel* in 2000 and *J'étais un homme pressé* in 2014.

AREAS OF EXPERTISE

- International;
- Management of major organizations;
- CSR.

Born in 1954

French nationality

Date first appointed: May 2011

Term of office ends: 2020(1)

Number of Crédit Agricole S.A. shares held at 31/12/2019: 103

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

–

In other listed companies

- Director: Sogefi (Italian company)

In other non-listed companies

- Chairman: C.S. Conseils, Franco-German Economic Club (*Club économique franco-allemand;* CEFA); Zeplug
- Director: Expliseat

Other positions

- Director: Stroke Research Foundation *(Fondation pour la recherche sur les AVC)*
- Director: NEOM (new city under construction in Saudi Arabia)

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

- Deputy Chairman of the Board of Directors: Safran Group (2018)
- Chairman: Astra (2017)
- Director: Thyssenkrupp – Germany (2015)

In other non-listed companies

- Director: Bridgepoint – United Kingdom (2015), Optiréno (2019)

Other positions

–

(1) Age limit – term of office ends May 2020.

Renée TALAMONA

Main office within the Company: Director
Member of the Strategy and CSR Committee

Business address: Regional Bank of Lorraine – 56-58, avenue André-Malraux – 57000 Metz

BIOGRAPHY

Graduate in economics and econometrics, Renée Talamona has held several different positions in the banking sector. She has spent her entire career in the Crédit Agricole Group, firstly at the Caisse nationale de Crédit Agricole (CNCA) within the Economic Studies department (1980-1983), then the Finance department (1983-1986). She subsequently joined the Group Internal Audit as Inspector, then Chief Project Manager (1986-1992). In 1992, she entered the Regional Banks, first as Finance and Risk Director at the Regional Bank Sud Méditerranée, then Deputy Director successively at the Regional Bank of Champagne-Bourgogne and the Regional Bank Pyrénées Gascogne. She joined Crédit Agricole S.A. in 2009 to become Deputy Group Risk Officer, and in 2011 was appointed Director for the Regions of France department of Crédit Agricole CIB. Since 2013, she has been the Chief Executive Officer of the Regional Bank of Lorraine.

AREAS OF EXPERTISE

- Banking, finance;
- Management of major organizations;
- CSR.

Born in 1957

French nationality

Date first appointed:
March 2016

Term of office ends:
2021

Number of Crédit Agricole S.A. shares held at 31/12/2019:
21,019

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019:
9,379

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chief Executive Officer: Regional Bank of Lorraine
- Director and member of the Risks Committee: Amundi
- Director: BFT IM

In other listed companies

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In other non-listed companies

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Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Director, member of the Audit Committee, Risks Committee, and Appointments Committee: Crédit Agricole Leasing & Factoring

In other listed companies

- Director: LCL (2016)

In other non-listed companies

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Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Louis TERCINIER

Main office within the Company: Director
Member of the Appointments and Governance Committee

Business address: Regional Bank of Charente-Maritime Deux-Sèvres – 14, rue Louis-Tardy – 17140 Lagord

BIOGRAPHY

After technical studies in agronomy and management, Louis Tercinier pursued a number of professional training courses, primarily in the fields of economics and auditing. A farmer specialising in both grains and vineyards, he is part of a family of producers and traders (cognac and *pineau des Charentes*) going back five generations. Louis Tercinier is Chairman of SICA Atlantique, France's second-largest grain and oilseed export site with six units built around the original grain terminal activity. Chairman of local bank of Saintes since 2005, he was elected Director of the Regional Bank of Charente-Maritime Deux-Sèvres in 2006, of which he became Deputy Chairman in 2010, and then Chairman in 2015.

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1960

French nationality

Date first appointed: May 2017

Term of office ends: 2021

Number of Crédit Agricole S.A. shares held at 31/12/2019: 2,375

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Charente-Maritime Deux-Sèvres
- Director: local bank of Crédit Agricole Mutuel de Saintes, Cofisa, CA Home Loan SFH
- Member: Executive Managers Commission of Fédération nationale du Crédit Agricole – FNCA

In other listed companies

–

In other non-listed companies

- Member of the Executive Committee: John Deere Financial SAS

Other positions

- Chairman: SICA Atlantique; Crédit Agricole CMDS endowment fund
- Director: Océalia
- Director: Société Développement Atlantique (Sodevat)
- Manager: GFA des Forges
- Partner: EARL Tercinier

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Chairman: local bank of Crédit Agricole Mutuel de Saintes (2018)

In other listed companies

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In other non-listed companies

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Other positions

- EARL Tercinier (2017)
- Deputy Chairman: Océalia (2018)
- Director: Unicognac S.A. (2018)

Refer to the glossary page 647 for the definition of the technical terms.

François THIBAULT

Main office within the Company: Director

Member of the Strategy and CSR Committee – Member of the Risks Committee

Business address: Regional Bank Centre Loire – 8, allée des Collèges – 18000 Bourges

BIOGRAPHY

An agricultural engineer, farmer and viticulturist by profession, François Thibault is a long-standing elected member of Crédit Agricole's working bodies. Chairman of local bank of Cosne-sur-Loire (Nièvre) since 1991. He became a Director (1995) of Regional Bank Centre Loire, and then its Chairman (1996). He also holds a number of responsibilities in the Group's national working bodies, in particular as Commission Chairman of Fédération nationale du Crédit Agricole – FNCA, as well as in specialised subsidiaries, in particular in insurance (CAMCA) and corporate and investment banking (Crédit Agricole CIB).

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1955

French nationality

Date first appointed: May 2015 (Director)

Term of office ends: 2020[(1)]

Number of Crédit Agricole S.A. shares held at 31/12/2019: 1,861

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Centre Loire, Camca and Camca Courtage, SAS Centre Loire Expansion
- Director: Crédit Agricole CIB, Car Centre, Sacam Centre
- Member: CA CIB Risk Committee
- Member of the Board of the Association of FNCA Chairs

In other listed companies

–

In other non-listed companies

- Partner: Gaec Thibault, GFA Villargeau d'en Haut, GFA de Montour, SCI Loire et Fontbout

Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Chairman: SAS Pleinchamp (2016), Foncaris (2016)
- Director: Crédit Agricole Bank Polska (2016)
- Non-voting Director: Crédit Agricole S.A. (2015)

In other listed companies

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In other non-listed companies

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Other positions

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(1) *Age limit – term of office ends May 2020.*

Refer to the glossary page 647 for the definition of the technical terms.

François HEYMAN

Main office within the Company: Director representing the employees of UES Crédit Agricole S.A.
Member of the Compensation Committee

Business address: Crédit Agricole S.A. – SGL/DCG/DI – 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

François Heyman has been a research and communication campaigns officer in the Group Communication division of Crédit Agricole S.A. since 2009. Alongside his banking career, he has served a number of national trade union mandates as representative of the Agribusiness General Foundation *(Fédération générale agroalimentaire)* of the French Democratic Confederation of Labour (CFDT), a member of the Economic, Social and Environmental Council *(Conseil économique, social et environnemental)*, Co-Chairman of Agrica (a supplementary retirement and social security body), Director of Arrco, and a member of the Upper Council of Farming Social Security and member of Higher Council of the Social protection in agriculture.

AREAS OF EXPERTISE

- Banking, finance;
- CSR;
- Expertise related to the exercise of a mandate as employee representative.

Born in 1959

French nationality

Date first appointed: June 2012

Term of office ends: 2021

Number of Crédit Agricole S.A. shares held at 31/12/2019: 66

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019: 2,890

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Research and Communication Campaigns Officer in the Group Communication division: Crédit Agricole S.A.

In other listed companies

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In other non-listed companies

–

Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

–

Other positions

–

Simone VÉDIE

Main office within the Company: Director representing the employees of UES Crédit Agricole S.A.

Business address: Crédit Agricole S.A. – DCI/RCI 12, place des États-Unis – 92120 Montrouge

BIOGRAPHY

Simone Védie began her career as a secretary in small companies specialising in import-export, then in advertising, publishing and design. In 1984, she joined the Caisse nationale de Crédit Agricole, which later became Crédit Agricole S.A., where she held various positions, first as text processing operator at the General Inspectorate (1984-1989), then Secretary at the Private and Business Markets Department, which became the Marketing and Communications department. In May 2018 she became Secretary to the Head of Innovation within the Customer Relations and Innovation Division.

In June 2018 she was elected Director representing the employees of UES Crédit Agricole S.A. (technical employees).

AREAS OF EXPERTISE

Expertise related to the exercise of a mandate as employee representative.

Born in 1960

French nationality

Date first appointed: June 2018

Term of office ends: 2021

Number of Crédit Agricole S.A. shares held at 31/12/2019: 65

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Executive Secretary: Crédit Agricole S.A.

In other listed companies

–

In other non-listed companies

–

Other positions

–

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

–

Other positions

–

Refer to the glossary page 647 for the definition of the technical terms.

Pierre CAMBEFORT

Main office within the Company: Non-voting Director

Business address: Regional Bank Nord Midi-Pyrénées – 219, avenue François-Verdier – 81000 Albi – France

BIOGRAPHY

Pierre Cambefort graduated from Stanford University and is an Engineer of the *École supérieure de physique et de chimie* of Paris. He began his career as a research and development engineer in the chemicals industry (1989). He was a volunteer under the National Service for Companies *(service national en entreprise)* programme in Frankfurt (1990-1991). In 1991 he joined Caisse nationale de Crédit Agricole as Inspector. In 1995 he started his career within the Crédit Agricole Regional Bank of Île-de-France, where he held various positions, first as Head of the Risk Management Unit and later in the Credit Development business, of which he became Head in 2000. From 2002 he headed the Marketing and Communications department. In 2004 he joined Crédit Agricole S.A. as Head the Private Individual Markets department. He became Deputy General Manager of the Regional Bank Centre-est in 2006. Pierre Cambefort was appointed Deputy Chief Executive Officer of Crédit Agricole CIB (2010-2013). He has been Chief Executive Officer of the Regional Bank Nord Midi-Pyrénées since September 2013. Pierre Cambefort is Chairman of Crédit Agricole Payment Services.

AREAS OF EXPERTISE

- Banking, finance;
- International;
- Management of major organizations;
- CSR.

Born in 1964

French nationality

Date first appointed:
October 2018

Term of office ends:
2021

Number of Crédit Agricole S.A. shares held at 31/12/2019:
62

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019:
448

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chief Executive Officer: Regional Bank Nord Midi-Pyrénées
- Chairman: SAS NMP IMMO
- Chairman of the Board of Directors: SAS Crédit Agricole Payment Services, SA INFORSUD Gestion
- Director: SAS EDOKIAL
- Supervisory Board member: SNC CA Technologies et Services (CATS)
- Director: SA Grand Sud-Ouest Capital
- Director: GSO INNOVATION
- Director: Crédit Agricole Nord Midi-Pyrénées Youth Action Fund

In other listed companies

–

In other non-listed companies

–

Other positions

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PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

- Director: SAS CA Paiement (2016); IFCAM (2016); SA COPARTIS (2017); SAS CA Chèques (2018); GIE CA Technologies et Services (2018); Grand Sud-Ouest; CAPITAL; GIE Coopernic; FIA-NET Europe (2019)
- Supervisory Board member: SNC CA TITRES (2018)

In other listed companies

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In other non-listed companies

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Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

Philippe de WAAL

Main office within the Company: Non-voting Director

Business address: Regional Bank of Brie Picardie – 500, rue Saint-Fuscien – 80095 Amiens – France

BIOGRAPHY

Philippe de Waal holds a degree from the University of Technology *(Université de technologie)* of Compiègne and is a farmer specialising in cereals (with the exception of rice). He is Manager of the Civil Society of the Castle of Poix *(Société civile du château de Poix)* in Bouillancy (1981-2016) and held several municipal offices such as Municipal councillor (1983-2008) and Mayor of Bouillancy (2008-2014). In 1995 he was appointed Director within the local bank of Nanteuil-le-Haudouin (1995-2000) of which he became Chairman (2000-2017). He sat on the Board of the Regional Bank of Oise (2005-2007), which became the Regional Bank of Brie Picardie as the result of a merger, where he remained Director (2007-2014). He was then appointed Deputy Chairman (2014) and Chairman (since 2015).

AREAS OF EXPERTISE

- Banking, finance;
- Elected mutualist;
- CSR.

Born in 1955

French nationality

Date first appointed: May 2018

Term of office ends: 2021

Number of Crédit Agricole S.A. shares held at 31/12/2019: 50

OTHER CURRENT POSITIONS AND FUNCTIONS

In Crédit Agricole Group companies

- Chairman: Regional Bank Brie Picardie
- Deputy Chairman of the local bank of Nanteuil-le-Haudouin
- Director: SAS Rue La Boétie
- Member of the Federal Bureau of FNCA
- Manager of SCI de l'Oise
- Treasurer: VIVEA *Confédération nationale de la mutualité, de la coopération et du Crédit Agricole* – CNMCCA
- Director: representing CNMCCA: National Centre of Agricultural Exhibitions and Competitions (*Centre national des expositions et concours agricoles;* CENECA)

In other listed companies

–

In other non-listed companies

- Manager: EARL des Buttes

Other positions

- Director: Beauvais Technova; Capital Investissement LaSalle Beauvais

PREVIOUS POSITIONS AND FUNCTIONS (2015-2019)

In Crédit Agricole Group companies

–

In other listed companies

–

In other non-listed companies

–

Other positions

- Member: Agricultural Chamber *(Chambre d'agriculture)* of Oise (2018)

Refer to the glossary page 647 for the definition of the technical terms.

3. INFORMATION ON EXECUTIVES AND MANAGEMENT BODIES

3.1 INFORMATION ON EXECUTIVES

Philippe BRASSAC

Main office within the Company: Chief Executive Officer
Member of the Executive Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BRIEF BIOGRAPHY

Graduate of the Paris Graduate School of Economics, Statistics and Finance (ENSAE), Philippe Brassac joined Crédit Agricole du Gard in 1982. He held several executive offices there before being appointed, in 1994, Deputy General Manager of Crédit Agricole des Alpes-Maritimes, now Crédit Agricole Provence Côte d'Azur. In 1999, he joined National Bank of Crédit Agricole as Director of Relations with Regional Banks. In 2001, he was appointed Chief Executive Officer of Crédit Agricole Provence Côte d'Azur. In 2010, he also became Corporate Secretary of the Fédération nationale du Crédit Agricole – FNCA and Deputy Chairman of the Board of Directors of Crédit Agricole S.A. In May 2015, he was appointed Chief Executive Officer of Crédit Agricole S.A.

AREAS OF EXPERTISE

Banking, finance;

International;

Management of major organizations;

CSR.

Born in 1959

French nationality

Date first appointed:
May 2015

OFFICES HELD AT 31/12/2019

In Crédit Agricole Group companies

- Chief Executive Officer: Crédit Agricole S.A.
- Chairman and Member of the Compensation Committee: Crédit Agricole CIB
- Chairman: LCL
- Director: Crédit Agricole Foundation – Pays de France

In other listed companies

–

In other non-listed companies

–

Other positions

- Member of the Executive Committee: French Banking Federation *(Fédération bancaire française)*

OTHER OFFICES HELD IN PREVIOUS YEARS (2015-2019)

In Crédit Agricole Group companies

- Corporate Secretary: Fédération nationale du Crédit Agricole – FNCA (2015)
- Board member: Fédération nationale du Crédit Agricole – FNCA (2015)
- Chief Executive Officer: Regional Bank Provence Côte d'Azur (2015)
- Director and Deputy Chairman: Crédit Agricole S.A. (2015), SAS Rue La Boétie (2015)
- Director and Chairman of the Compensation Committee: Crédit Agricole CIB (2015)
- Director: LCL (2015), Fédération régionale du Crédit Agricole Mutuel (2015), SCI Crédit Agricole Mutuel (2015), Adicam (2015)
- Chairman: Sofipaca Gestion and Sofipaca (2015), Sacam Développement (2015)
- Chief Executive Officer: Sacam International (2015)
- Chief Executive Officer and Director: Sacam Participations (2015)

In other listed companies

–

In other non-listed companies

–

Other positions

- Member of the Executive Committee: European Association of Co-operative Banks – EACB (2015)
- Member of the Board of Directors: COOP FR (2015)
- Corporate Secretary of the Management Committee: Gecam (2015)
- Member: *Confédération nationale de la mutualité, de la coopération et du Crédit Agricole* – CNMCCA (2015)
- Chairman of the Executive Committee: French Banking Federation *(Fédération bancaire française)* (2017)

Xavier MUSCA

Main office within the Company: Deputy Chief Executive Officer

Member of the Executive Committee

Business address: Crédit Agricole S.A. – 12, place des États-Unis – 92120 Montrouge

BRIEF BIOGRAPHY

Graduate of the Institute of Political Studies *(Institut d'études politiques)* in Paris and the National School of Administration *(École nationale d'administration),* Xavier Musca began his career at the General Finance Inspectorate *(Inspection générale des finances)* in 1985. In 1989, he joined the Treasury Directorate, where he became Head of the European Affairs in 1990. In 1993, he was called to the Prime Minister's Cabinet, then returned to the Treasury Directorate in 1995. Between 2002 and 2004, he was Principal Private Secretary to Francis Mer, Minister for the Economy, Finance and Industry, then appointed Treasury Director in 2004. He became Deputy Secretary General to the French President in 2009, in charge of economic affairs, then Secretary General to the French President in 2011. In 2012, Xavier Musca was appointed Deputy Chief Executive Officer of Crédit Agricole S.A., responsible for International retail banking, Asset management and Insurance. Since May 2015, he has been Deputy Chief Executive Officer of Crédit Agricole S.A., as second Executive Director of Crédit Agricole S.A.

AREAS OF EXPERTISE

- Banking, finance;
- International;
- Management of major organizations;
- CSR.

Born in 1960

French nationality

Date first appointed: July 2012

Number of Crédit Agricole S.A. shares held at 31/12/2019: 18,192

FCPE (employee share ownership plan) units held invested in Crédit Agricole S.A. shares at 31/12/2019: 1,210

OFFICES HELD AT 31/12/2019

In Crédit Agricole Group companies

- Chairman: CA Consumer Finance, Amundi
- Deputy Chairman: Predica; CA Italia
- Director: Crédit Agricole Assurances, Cariparma
- Director, Permanent Representative of Crédit Agricole S.A.: Pacifica

In other listed companies

- Director and Chairman of the Audit Committee: Capgemini

In other non-listed companies

–

Other positions

–

OTHER OFFICES HELD IN PREVIOUS YEARS (2015-2019)

In Crédit Agricole Group companies

- Chairman of the Appointments and Compensation Committee: Amundi (2015)
- Director: Amundi (2016); Crédit Agricole Creditor Insurance (2017)
- Member of the Compensation Committee: Cariparma (2017)
- Deputy Chairman of the Supervisory Board: Crédit du Maroc (2015)
- Deputy Chairman: CA Egypt (2015); UBAF (2015)
- Director: CACEIS (2015)

In other listed companies

–

In other non-listed companies

–

Other positions

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Refer to the glossary page 647 for the definition of the technical terms.

3.2 MANAGEMENT BODIES AT 15 MARCH 2020

Composition of the Executive Committee

Chief Executive Officer	**Philippe Brassac**
Deputy Chief Executive Officer	**Xavier Musca**
Deputy General Manager, Head of Development, Client and Innovation	**Bertrand Corbeau**
Deputy General Manager, Head of the Insurance	**Philippe Dumont**
Deputy General Manager, Head of the Operations and Transformation	**Michel Ganzin**
Deputy General Manager, Chief Financial Officer	**Jérôme Grivet**
Deputy General Manager, Head of Retail Banking Subsidiaries	**Michel Mathieu**
Deputy General Manager, Head of Savings Management and Property	**Yves Perrier**
Deputy General Manager, Head of the Specialised Financial Services	**Stéphane Priami**
Deputy General Manager, Head of Major Clients	**Jacques Ripoll**
Group Chief Risk Officer	**Alexandra Boleslawski**
Group Head of Compliance	**Martine Boutinet**
Group Head of Human Resources	**Bénédicte Chrétien**
Corporate Secretary	**Véronique Faujour**
Group Head of Internal Audit	**Michel Le Masson**
Group Head of Digital Transformation and IT	**Serge Magdeleine**
Head of Crédit Agricole S.A. Group for Italy	**Giampiero Maioli**

Refer to the glossary page 647 for the definition of the technical terms.

Composition of the Management Committee

The Management Committee consists of the Executive Committee and the following:

Chief Executive Officer of CACEIS	**Jean-François Abadie**
Head of Group Public Affairs	**Alban Aucoin**
Deputy General Manager of Crédit Agricole CIB	**Jean-François Balaÿ**
Chief Operating Officer of LCL	**Laure Belluzzo**
Global Head of Institutional division & Chief Investment Officer of Amundi	**Pascal Blanqué**
Head of CSR and CEO of Grameen Crédit Agricole Foundation	**Eric Campos**
Chief Executive Officer of Crédit Agricole Leasing & Factoring	**Philippe Carayol**
Head of the Institutional and Corporate Clients division of Amundi	**Dominique Carrel-Billiard**
Chief Executive Officer France of CA Consumer Finance	**Laurent Cazelles**
Head of Payment Systems	**Bertrand Chevallier**
Head of International Retail Banking	**François-Édouard Drion**
Head of Strategy	**Meriem Echcherfi**
Group Senior Country Officer for Egypt	**Pierre Finas**
Head of Group Financial Monitoring	**Paul Foubert**
Chief Operating Officer of LCL – Retail Banking Development	**Laurent Fromageau**
Head of Coverage of Crédit Agricole CIB Investment Bank	**Didier Gaffinel**
Global Head of Capital Markets at Crédit Agricole CIB	**Pierre Gay**
Global Head of Retail Division of Amundi	**Fathi Jerfel**
Chief Economist	**Isabelle Job-Bazille**
Chief Executive Officer of Pacifica	**Thierry Langreney**
Chief Executive Officer of Caci	**Henri Le Bihan**
Chief Operating Officer of Amundi	**Guillaume Lesage**
Deputy Chief Executive Officer of Crédit Agricole CIB	**François Marion**
Head of Crédit Agricole S.A. Group Communications	**Denis Marquet**
Group Senior Country Officer for Poland	**Jean-Bernard Mas**
Head of Legal Affairs	**Pierre Minor**
Senior Coverage and Investment Banker of Crédit Agricole CIB	**Régis Monfront**
Senior Country Officer Group for Morocco	**Bernard Muselet**
Head of Corporates, Institutionals and Wealth Management and Private Banking of LCL	**Olivier Nicolas**
Chief Executive Officer of Crédit Agricole Immobilier	**Marc Oppenheim**
Chief Executive Officer of Agos Ducato (Italy)	**Dominique Pasquier**
The Senior Regional Officer Americas of Crédit Agricole CIB	**Marc-André Poirier**
Head of Private Banking	**Jacques Prost**
Head of Agriculture, Agrifood and Specialised Markets	**Didier Reboul**
Head of Group Purchasing	**Sylvie Robin-Romet**
Senior Regional Officer Asia-Pacific of Crédit Agricole CIB	**Michel Roy**
Head of Regional Banks Relations	**Nicolas Tavernier**
Head of Monitoring and Control of Amundi	**Bernard de Wit**

Refer to the glossary page 647 for the definition of the technical terms.

3.3 TRANSACTIONS IN THE COMPANY'S SECURITIES

Summary of trading in the Company's shares by members of the Board of Directors, the Chief Executive Officer, the Deputy Chief Executive Officer and any person having the authority to make decisions concerning the development and strategy of Crédit Agricole S.A. and any person mentioned in Article L. 621-18-2 of the French Monetary and Financial Code, during financial year 2019, for transactions exceeding an aggregate ceiling of €20,000 (pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-23 of the General Regulations of the French Financial Market Authority (AMF)).

Pursuant to Article L. 621-18-2 of the French Monetary and Financial Code and Article 223-23 of the General Regulation of the AMF, transactions in financial instruments issued by Crédit Agricole S.A. of a cumulative amount exceeding €20,000 are the subject of specific statements to the AMF.

Name and title	Transactions carried out by executives in their personal capacity and by related parties
Yves Perrier Chief Executive Officer of Amundi Chief Executive Officer of the Savings and Property	Subscription of 4,836 FCPE units at a price of €8.2700 per unit
Jacques Ripoll Deputy General Manager, Head of Major Clients	Subscription of 4,836 FCPE units at a price of €8.2700 per unit
Jérôme Grivet Deputy General Manager, Chief Financial Officer	Subscription of 4,836 FCPE units at a price of €8.2700 per unit
Philippe Dumont Deputy General Manager, Head of the Insurance	Subscription of 4,836 FCPE units at a price of €8.2700 per unit

Specific measures concerning restrictions on or transactions by Directors with regard to trading in the Company's shares

Because each Director, by definition, is a "permanent insider", the rules on "windows" for subscription/prohibition on trading in Crédit Agricole S.A. shares apply to each Director. The dates corresponding to these windows are communicated to the Directors at the year-end for the next financial year.

There are no **service contracts** between the members of the administrative or management bodies and Crédit Agricole S.A. or any of its subsidiaries that grant benefits to such members.

To the Company's knowledge, there are no family ties among the Corporate Officers, Directors, Chief Executive Officer and Deputy Chief Executive Officers of Crédit Agricole S.A.

Crédit Agricole S.A. complies with the **corporate governance regulations** applicable in France, as described in the Board of Directors' report on corporate governance submitted to the General Meeting of Shareholders of 13 May 2020 and reproduced in this Universal Registration Document.

The AFEP/MEDEF Code as revised in January 2020 is the Company's reference code for the purposes of preparing the report stipulated in Article L. 225-37 of the French Commercial Code.

To the Company's knowledge, as at the date hereof, no member of an administrative or management body of Crédit Agricole S.A. has been convicted for fraudulent offences during the last five years.

To the Company's knowledge, as at the date hereof, no member of an administrative or management body of Crédit Agricole S.A. has been associated with any bankruptcy, receivership or liquidation during the last five years.

Finally, to the Company's knowledge as the date hereof, no incrimination and/or official public sanction has been pronounced in the past five years, against one of the aforementioned persons by statutory or regulatory authorities (including designated professional bodies) and none of the abovementioned persons has been prevented by a court from acting as a member of an administrative, management or supervisory body of an issuer, or from intervening in managing or conducting the business of an issuer.

4. REWARD POLICY

ABOUT THE PART

This part has been prepared with the assistance of the Compensation Committee.

Objectives

The elements presented below are intended to explain the compensation policy of Crédit Agricole S.A. and outline the changes to this policy as of 2020 - subject to approval at the General Meeting with regard to Corporate Officers. They highlight the Group's particular approach, based on a common framework and specific rules adapted to the positions and responsibilities held. This chapter thus highlights the alignment of executive compensation with the Group's employee compensation policy on the one hand, and the 2022 Medium-Term Plan on the other hand. Lastly, it complies with Crédit Agricole S.A.'s regulatory obligations in terms of publication of the compensation policy and elements of compensation of its Corporate Officers. To that extent, it was revised in 2019 to meet the new requirements of the PACTE Act and the transposition of the European directive on shareholders' rights.

Coordination with other media

Presentation of the Group's compensation policy, which provides input for all the other media on the subject, according to their specific objectives:

- annual report on the compensation policy and practices of identified staff: focused on identified staff;
- integrated report: summary of compensation policy;
- notice of meeting: section on compensation, focused on say on pay resolutions;
- presentation to the General Meeting;
- investor roadshows;
- etc.

Main content

COMPENSATION POLICY

Integration of CSR criteria in the variable compensation of executives, annual and long term

1 Increase of capital reserved for employees all years

4.68% of capital held by Group employees or former employees

Over 90% General Meeting approval rate of compensation

Refer to the glossary page 647 for the definition of the technical terms.

INTERVIEW – BÉNÉDICTE CHRÉTIEN, HEAD OF HUMAN RESOURCES

In June 2019, Crédit Agricole S.A. launched its 2022 Medium-Term Plan (MTP). What are the main human resources issues at stake?

The discussions on the new MTP was an opportunity to express, for the first time, the Raison d'Être of the Crédit Agricole Group: "Working every day in the interest of our customers and society". This is what motivates the Group's employees on a daily basis, committed to a relationship of trust and closeness to our stakeholders - the key to our universal banking model.

With this in mind, the 2022 Medium-Term Plan aims to amplify and accelerate the Group's profitable and responsible growth trajectory, based on three inseparable pillars: a Customer Project, a Human-centric Project and a Societal Project. To become the preferred bank for individuals, entrepreneurs and businesses alike, we reaffirm the place of the Human factor in an increasingly digitalised economy.

Our Human-centric Project seeks to offer our customers direct access to an empowered relationship manager, using discernment and having more responsibilities to answer more quickly to customers needs. It is based on three pillars: managerial transformation, to empower our employees; organisational transformation, to increase customer proximity; and strengthening the social pact, for better initiatives, with a mutual commitment from the employee and the Company. With a strong ambition: to become the preferred employer in financial services in France and among the top five in Europe.

Very concretely, how does the Human-centric Project of Crédit Agricole S.A. present itself?

A very large number of activities have already been launched. On the first pillar, that of managerial transformation, a program is being deployed to train our executives in the new leadership model. It will next be rolled out in each of our entities, to all our managers. We have also deployed an online platform of philosophical content for all our employees that can inspire and clarify our day-to-day management actions.

In terms of organisational transformation, we need to streamline our organisation and decision-making processes: 80% of decisions will be made in our retail banking networks in France, working as closely as possible with the customers. We also focus on the development of mobility, where we have forged partnerships with startups to enhance the skills of our employees.

Finally, we are consolidating the framework of trust offered to our employees by pursuing a social dialogue based on transparency and partnership. In 2019, we signed a framework agreement with the international trade union federation UNI Global Union, establishing an identical social base for all our employees. The first concrete implementation of this agreement is the introduction of 16 weeks of paid maternity leave throughout the world. Strong commitments in terms of gender diversity, social diversity and integration have also been made, such as accelerating the increase in the number of women in our decision-making bodies and the internationalisation of our talent pools, welcoming 300 interns who are current year 10 students from the REP and REP+ priority education areas each year and continuing our recruitment efforts in favour of people with disabilities.

What are the consequences of the Human-centric Project on the Group's reward policy?

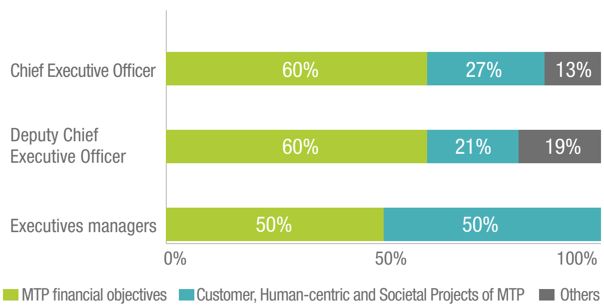
Empowering employees, strengthening our customer focus, developing a framework of trust: these topics must also be addressed from the perspective of employee reward, which encompasses both compensation and benefits.

Our reward policy was the subject of major changes this year: alignment of annual variable compensation criteria with the objectives of the MTP, in particular the Human-centric Project; introduction of a free share allocation scheme, aimed in particular at young talent and rare skills; reinforcement of the CSR criteria in the compensation of all senior executives. These changes are part of an approach to rewards based on fairness and transparency, characterised by a common framework and rules specific to each profession or population. After all, rewards are an expression of our values.

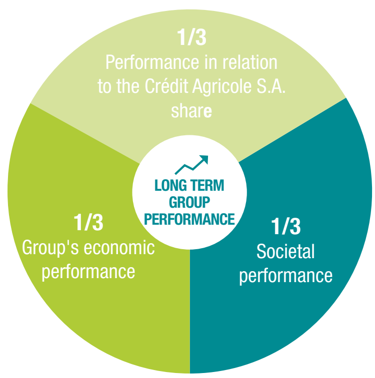
At the same time, the employee shareholding scheme, which is now annual, continues to attract internal support: nearly 20,500 employees subscribed to the capital increase in 2019, bringing the share of Crédit Agricole S.A. held by employees to 4.68%.

Our reward policy is part of the Group's transformation and the implementation of its strategy. It is by empowering our employees and associating them with the value created that we will succeed in our Medium-Term Plan

Alignment of annual variable compensation with the Medium-Term Plan



Common long-term compensation structure for all employees



4.1 REWARDS FOR ALL EMPLOYEES

IMPORTANT TO KNOW

- Reward combines **elements of compensation** in the strict sense of the word, that have been submitted to the vote of shareholders, as well as **social benefits and peripheral compensation**.
- **Bearer of the values** of the Group, the reward policy is based on **fairness** and **common rules** for all employees, in compliance with the **regulatory *corpus*** specific to the financial sector.
- The reward policy is at the service of the Group's **Raison d'Être**, of its **Group Project and 2022 Medium-Term Plan** and, in particular, of its **Human-centric Project**, providing its customers direct access to a local customer relations manager. Through the implementation of **free share grants** and the **annualisation of capital increases reserved** for employees, the reward policy supports the **three founding principles** of the Human-centric Project: empowerment, outreach and initiative-taking.

4.1.1. Approach and objectives of the reward policy

Faithful to its mutualist values and founding cooperative principles, Crédit Agricole S.A. has defined a responsible reward policy, serving its purpose: "Working every day in the interest of our customers and society" and its 2022 Medium-Term Plan. It strives to reconcile the expectations of all its stakeholders – customers, employees, service providers, associations, public authorities, shareholders – with the demands of a competitive market in order to position us as the leader in retail banking.

The Group bases the compensation of employees and executive managers on objective foundations, which reflect the performance and long-term responsibility of the organisation.

Its policy participates in the three founding principles of the Human-centric Project: empowering employees, strengthening our customer focus and developing a framework of trust; and meets four objectives:

Objectives	Implementation procedures
Attracting, motivating and retaining the talent that the Group needs	▪ Respecting the values of fairness and merit ▪ Consistency and competitiveness with reference markets and country laws in terms of rewards
Recognising individual and collective performance over time	▪ Taking account of skill sets, specific business factors and the performance of the entity and of the Group ▪ Employee empowerment, through annual and long-term variable compensation
Aligning the interests of employees with those of Crédit Agricole S.A. and its shareholders	▪ Payment of deferred variable compensation over three years using share-linked instruments ▪ Payment of long-term compensation in the form of free share grants as from 2020 and/or in the form of instruments linked to the share price ▪ Promoting employee savings and shareholding, a collective variable compensation system to enable the sharing of created value, through capital increases reserved for employees - annual since 2018
Promoting sound and efficient risk management	▪ Respecting the declaration and risk appetite framework approved by Group governance ▪ Setting variable compensation consistent with the ability of Group entities to strengthen their equity capital ▪ Taking account of all risks, including the liquidity risk, and the cost of capital ▪ Guaranteed bonuses authorised only on recruitment and for a period that may not exceed one year, subject to the deferred compensation plan applicable over the financial year

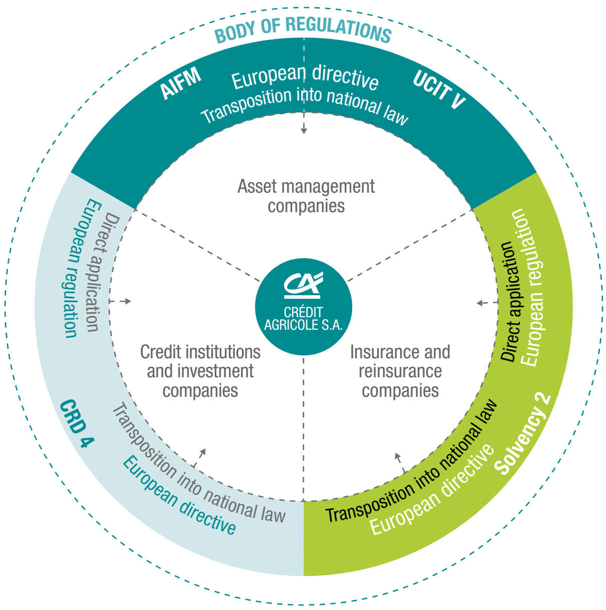
Refer to the glossary page 647 for the definition of the technical terms.

4.1.2. Regulatory corpus shaping compensation policies

Crédit Agricole S.A.'s compensation policy must be seen within a closely regulated environment specific to its sector.

Through its universal customer-focused banking model, the Group is responsible for three different regulatory corpora corresponding to its three activities. It ensures that its compensation policy complies with the applicable national, European and international legal and regulatory frameworks. It also includes the provisions of the Volcker Rule, France's law on the separation of banking and finance activities, the MIF Directive and the Insurance Distribution Directive.

Regulations governing the compensation policies of Crédit Agricole S.A. entities



CRD 4: Capital Requirement Directive 4
AIFM: Alternative Investment Fund Managers
UCITS: Undertakings for collective Investment in Transferable Securities

The compensation policies of Crédit Agricole S.A. entities are governed by three distinct sets of regulations:

- those applicable to credit institutions and investment companies (the "CRD 4" package);
- those applicable to asset management companies and alternative investment funds (hedge funds and private equity funds) under the European Alternative Investment Fund Managers directive (Directive 2011/6 of 8 June 2011, or "AIFMD") and to UCITS management companies under the European UCITS V directive (Directive 2014/91/EU of 23 July 2014);
- those applicable to insurance and reinsurance companies that come under the Solvency framework.

This regulatory framework clarifies the definition of "identified staff" who are subject to more stringent compensation rules.

Identified staff

These regulations involve in particular the identification of employees who have an impact on the risk profile of the Group or of their entity through their function, their level of delegation or their level of compensation, hereinafter "identified staff".

The scope is defined by a joint decision- making process between Group and entity Human Resources functions and Risk and compliance functions. The criteria applied are summarised on page 206. The compensation of identified staff is part of a reinforced regulatory context that imposes rules in the structuring of their compensation. The general principles are described in 4.1.4.

Find out more:

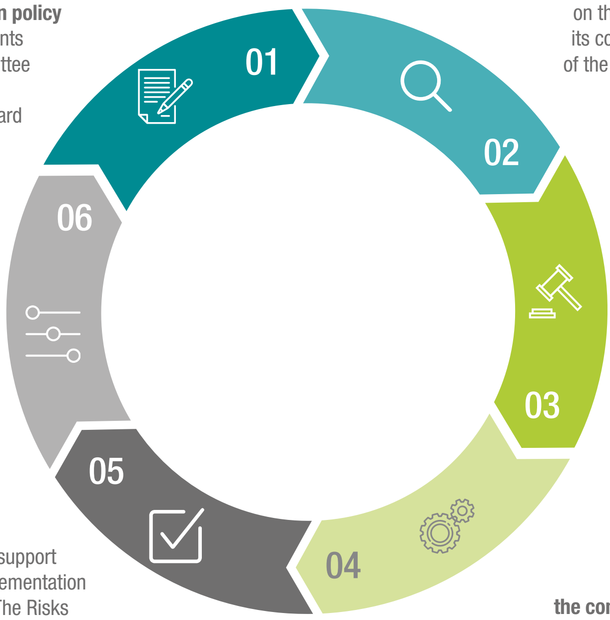
- Definition of identified staff: detailed on page 206.
- Definition and characteristics of the compensation of identified staff: Annual report relating to the compensation policy and practices of identified staff (in accordance with Articles 266 et seq. of the Decree of 3 November 2014 relating to internal controls of credit institutions and investment companies and with Article 450 of (EU) Regulation No. 575/2013 of 26 June 2013).

4.1.3. Governance of the compensation policy

The Group exercises oversight of all Group entities to ensure consistent compliance with Group-wide guidelines and rigorous application of compensation policies and procedures for all entities and employees. In 2019, this governance focused in particular on aligning the reward policy with the 2022 Medium-Term Plan and its Customer, Human-centric and Societal Projects. Its implementation follows a rigorous annual cycle validated by the Compensation Committee.

Process of defining the compensation policy

Governance of employee compensation policy of Crédit Agricole S.A.



1. POLICY CREATION

The **Group Human Resources department drafts and adjusts the employee compensation policy** and submits it to the operational departments of the Compensation Policy Control Committee (CCPR) for opinion.
The **Compensation Committee** puts forward the compensation policy to the Board of Directors.

2. REVIEW

The **Compensation Committee gives** an opinion on the employee compensation policy. It checks its compliance and monitors the implementation of the policy, overall and by major business lines.

3. APPROVAL

The **Board of Directors approves the policy**. The shareholders gathered in a General Meeting vote on certain elements[1] of the compensation policy.

4. IMPLEMENTATION

The **Group Finance department checks the consistency** of the procedures for determining variable compensation packages in the light of the Group's risks and financial capacity.
The **Human Resources department oversees the implementation** of the compensation policy.

5. MONITORING

The **Compensation Committee** with the support of internal departments monitors the implementation of policies and checks their compliance. The Risks Committee examines the compliance of compensation policies with risk strategies. The Group Internal Audit department conducts an **annual audit** subsequent to the definition and application of the policy.

6. ADJUSTEMENTS

The Human Resources department and the Compensation Committee take into account the conclusions of the CCPR, internal audit and the voting of shareholders to **adjust, if necessary, the compensation policy.** The changes decided upon apply from the following year.

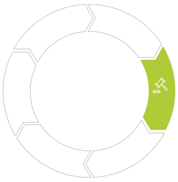
(1) The voting of shareholders relates in particular to the compensation policy and elements of compensation of Executive Corporate Officers, as well as to the planned capital increases reserved for Group employees.

Refer to the glossary page 647 for the definition of the technical terms.

Functions involved in the process of defining the compensation policy

Governance bodies and shareholders

BOARD OF DIRECTORS

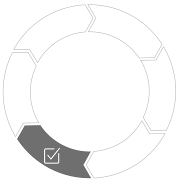


Considers and approves:
- the update to the compensation policy for employees and its application note;
- fixed compensations, as well as the terms and criteria for determining variable compensation for Executive Corporate Officers in accordance with the Medium-Term Plan;
- the report on compensation practices for members of the executive body and identified staff;
- capital increases reserved for employees.

COMPENSATION COMMITTEE

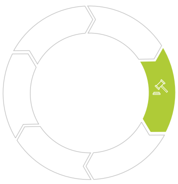
- Prepares the proposals and recommendations to be submitted to the Board of Directors, in particular regarding the general principles of the employee compensation policy, compensation of Corporate Officers, planned capital increases reserved for employees and related resolutions to be submitted to the General Meeting;
- oversees the total variable compensation for all employees and the annual variable compensations exceeding a threshold agreed by the Board;
- reviews the entities' implementation of compensation policies;
- reviews the decisions of the Compensation Policy Control Committee;
- adjusts the compensation policy in line with the Group's performance and results;
- analyses French and international regulatory changes.

RISK COMMITTEE



- Ensures that the Group's compensation policies and practices are in line with proper and effective risk management practices.

SHAREHOLDERS



- Vote on resolutions that may concern planned capital increases reserved for employees, the compensation of identified employees, the compensation policy for Corporate Officers and the elements of compensation allocated in respect of the previous financial year.

Group operations departments

GROUP HUMAN RESOURCES DEPARTMENT

- Prepares the work of the Compensation Committee and drafts the compensation policy to be submitted to the Committee for review in connection with the 2022 Medium-Term Plan;
- manages the compensation policy and coordinates the various players involved;
- adjusts the compensation policy, largely based on the conclusions of the CPCC.

COMPENSATION POLICY CONTROL COMMITTEE (CPCC)

Three departments represented: Risk Management and Permanent Control, Compliance and Human Resources departments
- Issues an opinion on the compensation policy, focusing on the information relating to the general policies – fulfilment sine qua non of the duty to alert – and on the validity of the principles applied to implement the compensation policy within the Group, in light of the regulatory requirements;
- appraises the implementation of the regulations within the entities, in particular for identified employees;
- coordinates the actions to be introduced in the entities by the Risks and Compliance functions.

GROUP FINANCES

- Approves the terms for determining the total variable compensation budget;
- confirms the adequacy of the total amount of compensation in view of the Group's ability to strengthen its own equity.

INTERNAL AUDIT DEPARTMENT

- Conducts an audit subsequent to the definition and implementation of the policy.

Find out more:

- Governance of the reward policy for Executive Corporate Officers: 4. "Reward policy", part 4.3.
- Involvement of shareholders in the compensation policy for Corporate Officers: Universal Registration Document, part 3.3 "Information on executives and management bodies".
- Involvement of shareholders in the compensation policy for identified staff: Annual report relating to the policy and to the compensation practices for identified staff.

4.1.4. Reward policy

The reward of Crédit Agricole S.A. employees is composed of fixed, variable and peripheral elements, corresponding to the various objectives – notably in terms of compensation for short, medium and long-term performance, consistent with the 2022 Medium-Term Plan (MTP). All or part of these elements may be offered to each employee, according to their level of responsibility, skills and performance.

Compensation and short, medium and long-term performance criteria

	Year Y-1	Y	Year Y+1	Year Y+2	Year Y+3
Fixed compensation		Qualifications and level of responsibility of the employee			
Annual variable compensation	Individual objectives and/or collective objectives aligned with the MTP				
Collective variable compensation	Annual performance of the entity				
Long-term variable compensation			The Group's economic, stock market and social performance		

Rules for determining elements of reward

The Group has set common rules for all employees to guide the determination of compensation elements:

- within each of its various business lines, Crédit Agricole S.A. regularly compares its practices to those of other financial groups at the national, European and international level;
- performance is assessed by precise measurement of the results obtained relative to specific annual objectives (how much), taking into account the conditions in which the objectives were achieved (how);
- it takes into account intrinsic financial performance, the Group's non-financial performance and its performance compared to that of other European banks;
- the compensation systems are differentiated according to level of responsibility within the organisation;
- peripheral compensation is governed by Group or entity agreements.

Compensation of identified staff

In accordance with regulatory obligations, Crédit Agricole S.A. has defined strict rules surrounding the compensation policy for identified staff:

A compensation policy that promotes sound and efficient risk management: the amounts and distribution of variable compensation must not impair the institutions' ability to strengthen their equity as required.

A balance between fixed and variable compensation: for any employee of a credit institution or investment firm, the variable component of their compensation cannot be greater than 100% of the fixed component; nevertheless, each year, the General Meeting of Shareholders can vote to apply a higher maximum ratio provided that the total variable component never exceeds 200% of the fixed component for any employee.

A variable compensation partly deferred and paid in the form of instruments:

- 40% to 60% of variable compensation is deferred over three years. The deferred portion vests no faster than pro rata in three instalments in Y+1, Y+2 and Y+3, subject to continued employment and performance conditions;
- each instalment is granted in Crédit Agricole S.A. shares or instruments linked to Crédit Agricole S.A. shares. (credit institution, investment companies, insurance and reinsurance company) or by a portfolio of funds representative of the activity (asset management);
- for credit institutions and investment companies employees, there is a six-month lock-up period after each deferred variable compensation instalment has vested. A portion of the non-deferred variable compensation is also paid in Crédit Agricole S.A. share-linked instruments, at 10% of the total variable compensation, at the end of a six-month lock-up period.

Risk-adjusted variable compensation: a monitoring system for at-risk behaviour by identified staff is deployed at Crédit Agricole S.A. subsidiaries in cooperation with the Group Risk Management and Permanent Controls and Compliance business lines. This system specifically includes annual monitoring and assessment of the system by the governance body as well as an arbitration procedure at Executive Management level for observed cases of at-risk behaviour.

Crédit Agricole S.A. has also put in place two systems that enable adjustment or even restitution to the Group of variable compensation, in the event of at-risk behaviour:

- **a malus clause:** in the event of observing non-compliant behaviour, the variable compensation initially awarded may be reduced in full or in part in accordance with Article L. 511-84 of the French Monetary and Financial Code;
- **a clawback clause:** if it is discovered within a period of five years after payment that an employee is responsible for or has contributed to significant losses to the detriment of the Group or has demonstrated particularly serious at-risk behaviour, the Group reserves the right, subject to local laws in force, to demand the restitution in full or in part of amounts already paid.

Communication: compensation paid during the financial year to all identified staff of credit institutions or investment companies is subject to a resolution submitted each year to the Crédit Agricole S.A. General Meeting.

Refer to the glossary page 647 for the definition of the technical terms.

Procedures for determining elements of reward

Elements of compensation

<table>
<tr><th></th><th>SYSTEM</th><th>PEOPLE ELIGIBLE</th></tr>
<tr><td rowspan="2">FIXED COMPENSATION

Objectives
Offering competitive and attractive compensation</td><td>Base salary</td><td>All employees</td></tr>
<tr><td colspan="2">Skills and responsibility level are rewarded by a base salary in line with the specific characteristics of each business line in its local market.</td></tr>
<tr><td rowspan="8">ANNUAL VARIABLE COMPENSATION

Objectives
Linking the interests of employees with those of the Group and shareholders, as part of the deployment of the 2022 Medium-Term Plan</td><td>Variable compensation</td><td>All employees</td></tr>
<tr><td colspan="2">Crédit Agricole S.A. has put in place two annual variable compensation systems – depending on the business lines and consistent with market practices:
■ an individual variable compensation (RVP) system based on the calculation of benefits that is the sum of target individual variable compensation adjusted by a performance rate;
■ a “Bonus Pool” system based on the calculation of benefits directly linked to the entity’s financial results and defined according to a percentage of the “Contribution” to Group results. The contribution represents an entity’s capacity to fund bonuses, taking into account the cost of risk, the cost of capital and the cost of liquidity.
It is defined as:

Revenues[1]
– direct and indirect expenses before bonuses
– cost of risk
– cost of capital before tax
____
= Contribution

The payout ratio represents the portion of the Contribution that the entity wants to pay out in bonuses. It is dependent on the entity’s financial performance and the practices of competing companies operating in comparable businesses.
The individual award of variable compensation is defined in compliance with regulatory principles. The amounts must not hamper the ability of Group entities to strengthen their equity as necessary. As well as economic and financial criteria, the performance assessment takes all risks into account, including liquidity risk, as well as the cost of capital.
Variable compensation is related directly to annual performance. Unsatisfactory performance, failure to comply with rules and procedures or at-risk behaviour have a direct impact on variable compensation.</td></tr>
<tr><td>Individual variable compensation (RVP)</td><td>Employees and executive managers:
■ central support functions;
■ retail banking;
■ specialised financial services;
■ insurance;
■ real estate;
■ other.</td></tr>
<tr><td colspan="2">Individual variable compensation (RVP) reflects the employee’s individual performance, assessed by line management on the basis of the attainment of individual and/or collective objectives.
The objectives are described precisely and measurable over the year. They systematically take into account the customer, employee and societal aspects of activities.
The degree of attainment or exceeding of objectives is the principal criterion for the award of RVP. It is supplemented by a qualitative assessment of how these objectives were achieved (assuming responsibility, discernment, autonomy, cooperation, commitment, management, etc.).</td></tr>
<tr><td>Bonus</td><td>Employees and executive managers:
■ corporate and investment banking;
■ wealth management;
■ asset management;
■ capital investment.</td></tr>
<tr><td colspan="2">The award of a bonus is decided upon by line management based on a formal annual individual performance appraisal, which looks at the achievement of both quantitative and qualitative objectives. There is therefore no direct and automatic link between the level of financial results of an employee and their variable compensation level. Employees are evaluated on their results, those of their activity and the conditions under which such results have been achieved.
Similarly to individual variable compensation, targets are clearly defined and measurable over the year. Qualitative objectives are individualised, related to the professional activity and to the level of responsibility. They include the quality of risk management, resourced allocated, the behaviours (assuming responsibility, discernment, autonomy, cooperation, commitment, management, etc.) implemented to achieve results.</td></tr>
<tr><td>Guaranteed variable compensation restrictions</td><td>Employees
Executive managers</td></tr>
<tr><td colspan="2">Guaranteed variable compensation is strictly limited to new hires, for a period that may not exceed one year. Guaranteed variable compensation is awarded subject to the deferred compensation plan applicable to the financial year. Accordingly, all rules on variable compensation for identified staff (deferred payment schedule, performance conditions and reporting) also apply to guaranteed bonuses.</td></tr>
</table>

(1) *It is understood that, by definition, revenues are calculated net of the cost of liquidity.*

Refer to the glossary page 647 for the definition of the technical terms.

	SYSTEM	PEOPLE ELIGIBLE
LONG-TERM VARIABLE COMPENSATION **Objectives** Rewarding the long-term collective performance of the Group and its entities	**Long-term incentive plan**	**Executive managers** **Key Group executives**
	This aspect of variable compensation, which is unifying, motivating and encourages loyalty, completes the annual variable compensation mechanism. It is characterised by compensation in Crédit Agricole S.A. shares and/or cash, indexed to the Crédit Agricole S.A. share price, with long-term performance conditions based on economic, financial and societal criteria consistent with the long-term strategy of the Group and its entities. Starting in 2020, the Group will grant free shares in particular to high potentials and rare expertise.	
COLLECTIVE VARIABLE COMPENSATION **Objectives** Linking all employees to the Group's results to enable the collective sharing of value created	**Profit sharing and incentive plans**	**All employees in France**
	Profit sharing	**All employees of certain international entities**
	Collective variable compensation plans are defined separately for each entity in order to reflect value creation as closely as possible. In France, Group companies therefore negotiate their own profit-sharing and incentive plan agreements, complemented by contribution matching systems through their Company Savings Plan (PEE) and Collective Retirement Savings Plan (PERCO).	
	Employee shareholding	**All employees with the exception of a few countries**
	Employee shareholding, rooted in the corporate culture of Crédit Agricole S.A., has grown over the years, in the context of capital increases reserved for employees and retirees, to be carried out annually in 2018. At end-2019, Group employees and former employees held 4.68%of share capital.	

Peripheral compensation

	SYSTEM	PEOPLE ELIGIBLE
PERIPHERAL COMPENSATION **Objectives** Covering/Supplementing health care reimbursements in the event of employee illness Protecting employees against all life's uncertainties	**Private healthcare insurance scheme**	**All employees**
	Supplementary pension scheme	**Executive managers**
	In addition to direct compensation, peripheral compensation in terms of retirement, healthcare and pensions are put in place within collective schemes specific to each entity.	

2022 Medium-Term Plan: towards a common social framework for all employees

In July 2019, Crédit Agricole S.A. signed a global framework agreement with the international trade union federation UNI Global Union, to provide a social frame of reference for all its employees.

This agreement, which concretises the ambitions of the Human-centric Project of the 2022 Medium-Term Plan, focuses on human rights, fundamental labour rights and the development of social dialogue, with concrete impacts on the Group's reward policy. In particular, it includes a strong commitment to parenthood, establishing the principle of 16 weeks paid maternity leave for all employees. The agreement also provides for commitments in favour of employee benefits (short and long-term disability, death and health), with the first step being to draw up an inventory of all systems in effect at the Group's entities.

Find out more:

- HR "Human-centric Project" policy: Universal Registration Document, Chapter 2, part 2.
- Rules and specific procedures for determining the compensation of executive managers: Universal Registration Document, Chapter 3, part 3.4.2.
- Rules and specific procedures for determining the compensation of Executive Corporate Officers: Universal Registration Document, Chapter 3, part 3.4.3.

Refer to the glossary page 647 for the definition of the technical terms.

4.1.5. Amount of reward

In 2019, total employee expenses amounted to €7.1 billion for Crédit Agricole S.A. The overall total distributed, including profit-sharing and the employer contribution matching of employee savings plans, was €288.7 million.

2022 Medium-Term Plan: annualisation of employee share ownership campaigns

Since its initial public offering in 2001, Crédit Agricole S.A. has carried out seven capital increases reserved for employees and retirees. Since 2018, the Group has been committed to making this an annual arrangement.

In 2019, the capital increase reserved for employees involved nearly 19 million newly issued shares at a 20% discount. More than 20,500 subscribers invested nearly €150.9 million in Crédit Agricole S.A. shares. At end-2019, Group employees and former employees held 4.68%of share capital.

By valuing the contribution of each individual to the success of the collective, the development of employee shareholding is part of the new confidence pact desired by the Group through its Human-centric Project.

Find out more:

- Social indicators: Universal Registration Document, Chapter 2, part 2.4.
- Amount of compensation of executive managers: Universal Registration Document, Chapter 3, part 3.4.2.3.
- Amount of compensation of Executive Corporate Officers: Universal Registration Document, Chapter 3, part 3.4.3.3.

4.1.6. Comparative approach to compensation

Crédit Agricole S.A. is committed to respecting equality between women and men, particularly in terms of compensation, notably through regular diagnostics carried out by the Group and its entities. In 2020, Crédit Agricole S.A. published its Gender Equality Index, which shows very positive scores for the Group as a whole: 83/100 for the Crédit Agricole S.A. economic and social unit and between 75 and 98/100 for the other entities.

Find out more:

- Gender equality at work: Universal Registration Document, Chapter 2, part 2.3.2.

4.2 REWARDS FOR EXECUTIVE MANAGERS

IMPORTANT TO KNOW

- Variable compensation based on mutual **objectives and aligned to the strategy** of the Group in order to unify executive managers around shared challenges.
- Adjustment of objectives in line with those of the 2022 Medium-Term Plan, both on financial and non-financial criteria.
- People eligible for the allocation of free shares within the framework of the **long-term incentive plan** to align the interests of executive managers to those of shareholders and the performance of the Group over the long term.
- Bringing supplementary pension schemes into compliance with the requirements of the PACTE Act.

The Group's executive managers are members of the management teams and break down into two management circles:

- executives in the first circle prepare the definition of strategy for their business line or a Group cross-cutting function and steer implementation, in line with Group strategy;
- in the second circle, executives are responsible for defining functional or operational policies that have a strategic impact on their businesses.

4.2.1. Objectives specific to executive managers

Crédit Agricole S.A. has implemented a variable compensation policy for executive managers, aimed in particular at:

- correlating their compensation levels with actual long-term performance;
- aligning management's interests with the success of the Group Project and 2022 Medium-Term Plan by including economic and non-economic performance (Customer, Human-centric and Societal Projects).

4.2.2. Reward policy applicable to executive managers

Executive managers receive elements of fixed, variable and peripheral compensation, adapted to their specific objectives, in line with the Group's compensation policy adapted to their specific objectives.

Elements of compensation

	SYSTEM	PEOPLE ELIGIBLE
FIXED COMPENSATION	Base salary	All executive managers

The fixed compensation of executive managers is determined using the same rules as those of all employees.

ANNUAL VARIABLE COMPENSATION

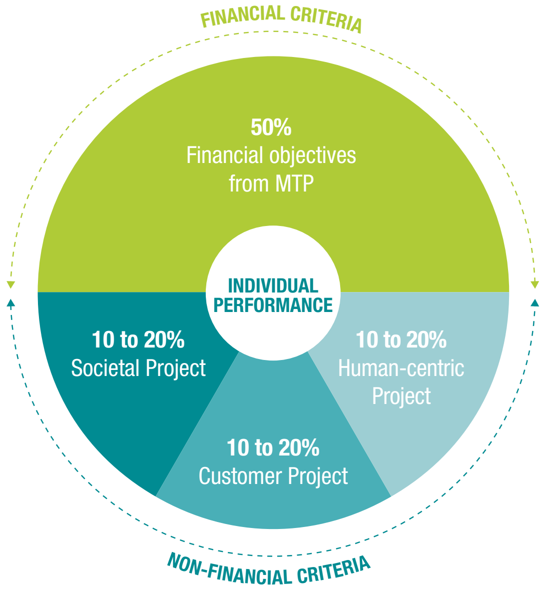
All executive managers of Crédit Agricole S.A. are eligible for the Group's variable compensation schemes, for which the structure of objectives is common regardless of the entity.
This means that their individual variable compensation comes either from the individual variable compensation plan (RVP) or from the bonus system. As for all employees, the system on which they are dependent is defined according to their home entities.

SYSTEM	PEOPLE ELIGIBLE
Individual variable compensation/bonus	All executive managers

Annual variable compensation is calculated based on two sets of criteria:

- 50% on the basis of financial criteria, in line with those of the 2022 Medium-Term Plan, with criteria based on Crédit Agricole S.A.'s scope of responsibility in terms of underlying net income Group share, cost/income ratio excluding SRF and RoTE- and on the scope of responsibility of the senior executive;
- 50% on non-financial criteria, in line with the Group's Customer, Human-centric, and Societal Projects and which measure value creation:
  - customer: satisfaction with the services and advice provided, adaptation of offers to new uses, innovation engagement,
  - human: ability to attract, develop and retain employees, and to initiate managerial transformation to create a framework of greater trust and confidence,
  - social: mutualist and societal commitment, respect for values beyond legal obligations, development of green finance.

Annual variable compensation criteria applicable to executive managers



2022 Medium-Term Plan: integration of gender diversity in the variable compensation of the Executive Committee

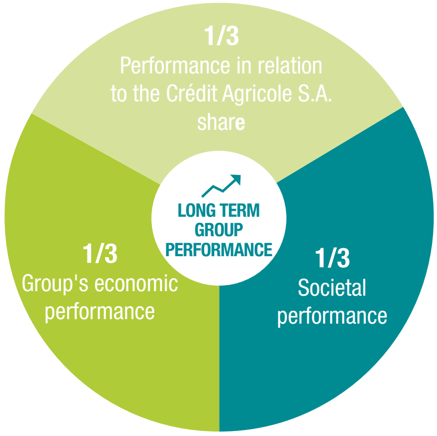
Crédit Agricole S.A. has set itself the objective of reaching 30% of women in the decision-making bodies of its entities by 2022. At end-2019, the percentage of women in the highest governing bodies of Crédit Agricole S.A. entities was 23.9%. Since 2019, the progression of this objective has had a direct impact on the annual variable compensation of members of the Executive Committee, for which it now is one of the non-financial criteria. The increase in the number of women in decision-making bodies and the development of female talent is one of the priorities of the Human-centric Project to amplify the gender diversity policy applied by the Group for several years now.

	SYSTEM	PEOPLE ELIGIBLE
LONG-TERM VARIABLE COMPENSATION	Long-term incentive plan	Executive Committee Members Senior executives

The Group established a long-term incentive plan in 2011 to reward long-term performance. Accordingly, taking an entity's societal impact into consideration strengthens the link between compensation and long-term performance.
The long-term variable compensation plan for executive managers takes the form of share-based or cash compensation indexed to the Crédit Agricole S.A. share price.
Amounts are deferred over three years and vest subject to performance conditions and according to the following criteria:

- Crédit Agricole S.A.'s intrinsic economic performance;
- Crédit Agricole S.A.'s stock performance;
- Crédit Agricole S.A.'s societal performance.

Refer to the glossary page 647 for the definition of the technical terms.

<table>
<tr><th></th><th>SYSTEM</th><th>PEOPLE ELIGIBLE</th></tr>
<tr><td rowspan="1">LONG-TERM VARIABLE COMPENSATION</td><td colspan="2">The members of the Crédit Agricole S.A. Executive Committee and the Group's senior executives are eligible for this long-term incentive plan, whose grant is determined on an annual basis by the Group Chief Executive Officer.
Vesting conditions of the long-term variable compensation of executive managers

</td></tr>
<tr><td rowspan="4">COLLECTIVE VARIABLE COMPENSATION</td><td>Profit sharing and incentive plans</td><td>All executive managers in France</td></tr>
<tr><td>Profit sharing</td><td>All executive managers of certain international entities</td></tr>
<tr><td>Employee shareholding</td><td>All executive managers with the exception of a few countries</td></tr>
<tr><td colspan="2">Executive managers are eligible for profit-sharing, incentive plans and employee share ownership plans under the same conditions defined by their entity.</td></tr>
</table>

Peripheral compensation

<table>
<tr><th></th><th>SYSTEM</th><th>PEOPLE ELIGIBLE</th></tr>
<tr><td rowspan="4">PERIPHERAL COMPENSATION</td><td>Private healthcare insurance scheme</td><td>All executive managers</td></tr>
<tr><td colspan="2">Executive managers benefit from the same private healthcare insurance schemes as other employees.</td></tr>
<tr><td>Supplementary pension scheme</td><td>Executive managers</td></tr>
<tr><td colspan="2">From 2010 to 2019, the supplementary pension plan consisted of a combination of defined-contribution pension schemes and a defined-benefit scheme:
■ the cumulative contributions of the two defined-contribution supplementary pension schemes;
■ the rights to the defined-benefit scheme, which are determined after the rights paid under the defined-contribution schemes.
In any event, at retirement, the total retirement annuity of all schemes is capped at 70% of the reference compensation in accordance with the supplementary retirement regulations for executive managers of Crédit Agricole S.A.
In accordance with the PACTE Act and the provisions of Order no. 2019-697 of 3 July 2019, the defined benefit top-up scheme was permanently closed as of 4 July 2019, and the conditional rights it provides have been consolidated at 31 December 2019.
The rights established by the Group prior to the effective date of the applicable rules of 2010 are maintained in accordance with the rules and, if applicable, are added to the rights resulting from the application of those rules, particularly when calculating the maximum annuity that can be paid.
Following the promulgation of Order no. 2019-697 of 3 July 2019, the Board of Directors' meeting of 17 December 2019, on the proposal of the Compensation Committee:
■ took note of the freeze of the defined-benefit scheme at December 31, 2019;
■ approved the introduction of an Article 82 defined-contribution scheme as from 1 January 2020. Crédit Agricole S.A. wished to set up a scheme enabling executive managers to build up savings for retirement with the help of the Company.</td></tr>
</table>

4.2.3. Amount of reward of executive managers

At 31 December 2019, the reward of members of the Board of Directors and the Executive Committee paid by Crédit Agricole S.A. amounted to €27.9 million, of which €3.8 million in post-employment benefits.

4.3 REWARDS FOR CORPORATE OFFICERS

A revised compensation policy for 2020

The Board of Directors of Crédit Agricole S.A. has revised the compensation policy for its Executive Corporate Officers, to take into account the 2022 Medium-Term Plan, the new regulatory framework, and investor expectations. Six major changes are proposed to shareholders.

CHANGES[1]	OBJECTIVES
Bringing the policy in line with the 2022 Medium-Term Plan	▪ Aligning the interests of management with the implementation of the Plan ▪ Taking into account all the dimensions of the Plan, in particular the Customer, Human-centric and Societal Projects
Strengthening the financial criteria	▪ Favouring quantitative criteria: shifting the weight of financial criteria from 50% to 60%; ▪ Aligning the criteria with the objectives announced to the markets: narrowing of the number of criteria from 4 to 3
Preponderance of the quantitative criteria	Objectivising financial and non-financial performance, with a large majority of criteria being quantifiable or quantified.
Enhanced indexing of compensation to CSR performance	Taking CSR performance into account in annual and long-term variable compensation
Introduction of long-term share-based compensation	Strengthening the involvement of Executive Corporate Officers in the creation of the Company's long-term value.
Review of the pension scheme	Ensuring the Group's compliance with the requirements of the PACTE Act on the portability of pension schemes

(1) Subject to the approval of shareholders at the General Meeting of 13 May 2020.

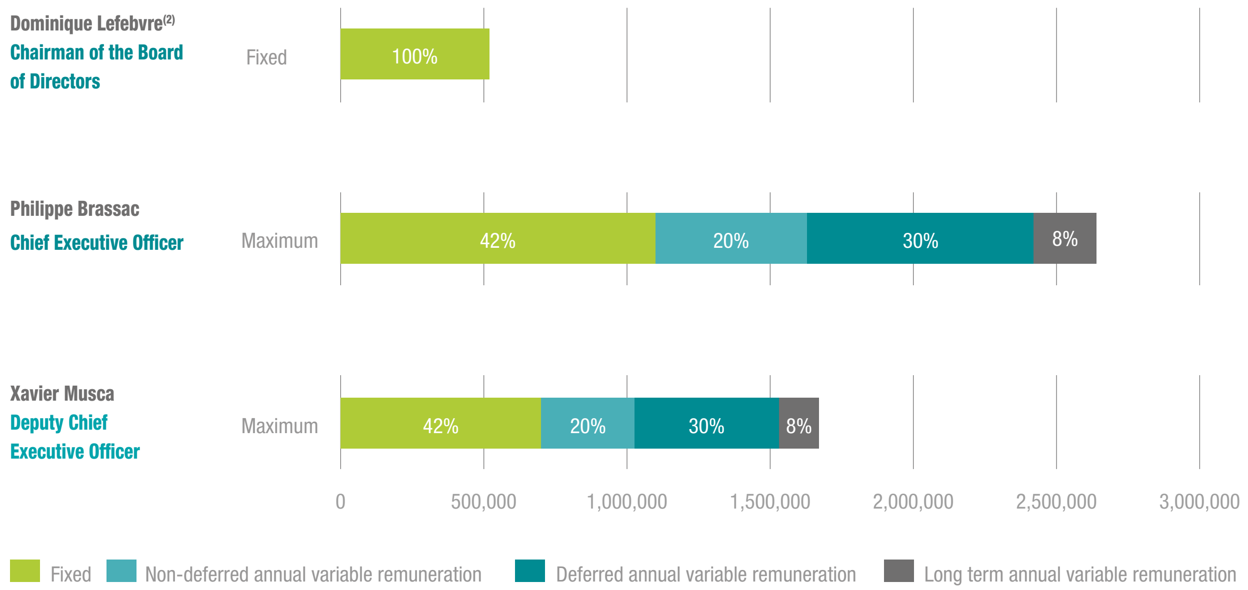
Compensation consistent with the 2022 Medium-Term Plan and the Group's creation of value

		ANNUAL VARIABLE	LONG-TERM VARIABLE
Medium-Term Plan	Financial targets	X	X
	Customer Project, excellence in customer relations	X	
	Human-centric Project, empowered teams for customers	X	
	Societal Project, commitment to society	X	X
Stock performance			X

Refer to the glossary page 647 for the definition of the technical terms.

A structure favouring the alignment of the interests of Executive Corporate Officers with the Group's short, medium and long-term trajectory

Maximum compensation structure for 2020[1]



(1) Subject to the approval of shareholders at the General Meeting of 13 May 2020.

(2) In order to guarantee his independence, the Chairman of the Board of Directors does not receive any variable compensation.

2019, a year of strong performance

€20.3bn
Underlying
REVENUES

€4.6bn
Underlying
NET INCOME GROUP SHARE

11.9%
Underlying
RoTE

61%
Underlying
COST/INCOME RATIO
excl. SRF[1]

Achievement rates that reflect the Group's success

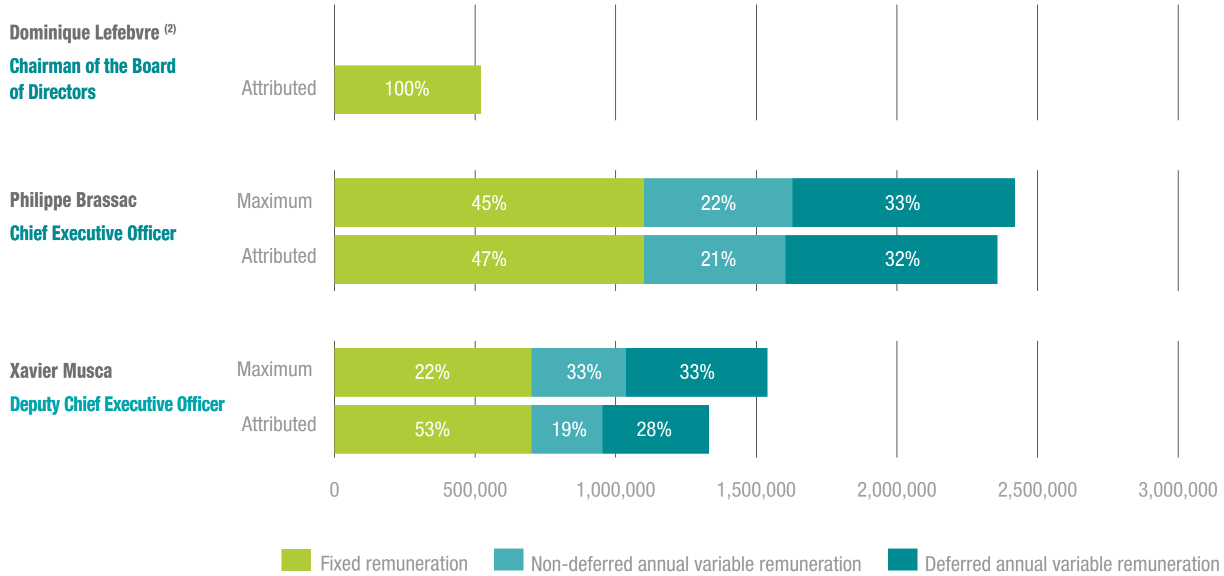
Criteria for annual variable compensation

	Chief Executive Officer		Deputy Chief Executive Officer	
	Weighting	Achievement rate	Weighting	Achievement rate
FINANCIAL CRITERIA	**50%**		**50%**	
Revenues	12.5%	13.0%	12.5%	13.0%
Net income Group share	12.5%	14.2%	12.5%	14.2%
Cost/income ratio	12.5%	12.9%	12.5%	12.9%
Return on tangible equity	12.5%	13.7%	12.5%	13.7%
NON-FINANCIAL CRITERIA	**50%**		**50%**	
Finalisation of the Medium-Term Plan	17.5%	60.5%	7.5%	59.0%
Transformation of the Group	10.0%		17.5%	
Steering of control functions in view of tighter regulation	10.0%		17.5%	
Collective momentum	12.5%		7.5%	
TOTAL		**114.3%**		**112.8%**

(1) Cost/income ratio excluding the contribution to the Single Resolution Fund.

Compensation balanced between cash and deferred payments

Structure of the compensation awarded for 2019[1]



(1) Subject to the approval of shareholders at the General Meeting of 13 May 2020.

(2) In order to guarantee his independence, the Chairman of the Board of Directors does not receive any variable compensation.

Crédit Agricole S.A. has historically opted for the separation of the duties of direction and control in executive functions in accordance with Article L. 511-58 of the French Monetary and Financial Code.

The Group therefore has three Executive Corporate Officers:

- Dominique Lefebvre, as Chairman of the Board of Directors since 4 November 2015;
- Philippe Brassac, as Chief Executive Officer since 20 May 2015;
- Xavier Musca, as Deputy Chief Executive Officer and second in command since 20 May 2015.

The Chief Executive Officer and Deputy Chief Executive Officer have decided upon a shared responsibility, which is reflected in their solidarity regarding the performance criteria used.

4.3.1. Compensation policy for Executive Corporate Officers awarded for 2020 submitted for shareholder approval

Specific objectives of Executive Corporate Officers

The main goal of the compensation policy of Executive Corporate Officers is the recognition of performance over the long term and smooth implementation of the Group's strategic plan. Aligned with the social interests of the Company, it takes into account aspects of sustainable performance over and above short-term financial results, in particular the Customer, Human-centric and Societal Projects of the 2022 Medium-Term Plan.

It is consistent with the policy of compensation of all executive managers of Crédit Agricole S.A., as described above, in order to unify the Group's key players around common and shared challenges.

Specific regulatory corpus to Executive Corporate Officers

In addition to the regulatory corpus specific to the banking sector, the compensation of Executive Corporate Officers of Crédit Agricole S.A. complies with:

- the recommendations and principles of the Corporate Governance Code for listed companies, as revised in January 2020 (the AFEP/MEDEF Code) with the exception of certain recommendations listed in the areas of non-compliance with the AFEP/MEDEF code p. 122;
- the Law of 22 May 2019 relating to the growth and transformation of companies, known as the PACTE Act;
- Order No. 2019-1234 of 27 November 2019 on the compensation of the Corporate Officers of listed companies.

Specific governance to Executive Corporate Officers

To ensure that the compensation of executives is in line with the interests of shareholders and the performance of the Group, the Board of Directors and its Compensation Committee play a major role in the governance of the corresponding policy. The same applies to shareholders who vote each year at the General Meeting on the policy and on the elements paid in or awarded for the financial year by a binding vote.

In 2019, this governance focused in particular on aligning the compensation policy for Executive Corporate Officers with the 2022 Medium-Term Plan and its Customer, Human-centric and Societal Projects, while rigorously deploying the new legal and regulatory framework.

Refer to the glossary page 647 for the definition of the technical terms.

Process of defining the compensation policy

Governance of the compensation policy for Executive Corporate Officers of Crédit Agricole S.A.

1. POLICY CREATION
At the start of the year, the Compensation Committee supported by the Human Resources department **drafts proposals** on the compensation of Executive Corporate Officers.

2. REVIEW
The **Board of Directors determines the compensation policy** based on the proposals of the Compensation Committee. **It sets the criteria for allocation of annual variable compensation** and the targets to be achieved for the year (*ex ante*). Each year, the **Compensation Committee assesses the performance** of Executive Corporate Officers over the financial year ended in the light of results obtained and targets set (*ex- post*). It may consult the Chief Executive Officer about the performance of the Deputy Chief Executive Officer.

3. APPROVAL
The **shareholders gathered in a General Meeting** vote on the elements of compensation awarded for the financial year ended or paid during the financial year ended and on the compensation policy for the coming year.

4. IMPLEMENTATION
The **Human Resources department oversees the implementation** of the compensation policy.

5. MONITORING
The **Group Internal Audit department conducts an annual audit** subsequent to the definition and application of the compensation policy of Executive Corporate Officers.

6. ADJUSTEMENTS
The **Board of Directors reviews the compensation policy** according to changes in the context of corporate strategy as well as feedback from investors and shareholders. The changes decided upon apply from the following year.

Refer to the glossary page 647 for the definition of the technical terms.

Functions involved in the process of defining the compensation policy

Governance bodies and shareholders

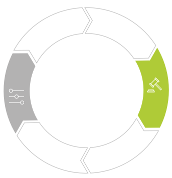
BOARD OF DIRECTORS

- Defines the compensation policy for Executive Corporate Officers by taking into consideration the conditions for compensation and employment of employees.
- Determines their fixed and variable compensation.
- Sets the upper and lower limits, criteria and performance conditions for variable compensation for the upcoming financial year, consistent with the objectives of the Medium-Term Plan.
- Determines the elements of compensation for the previous financial year.
- Decides the total compensation allocated to directors.
- Reviews the policy on an annual basis to take account of changes in the general and competitive environment, as well as feedback from shareholders and investors.

COMPENSATION COMMITTEE

- Drafts proposals covering fixed and variable compensation for Corporate Officers, any other benefits offered and the decisions to be submitted to the General Meeting on these subjects.
- Measures the performance of Executive Corporate Officers in relation to the targets set.

SHAREHOLDERS



- Provide annual recommendations on the compensation policy for Executive Corporate Officers and their elements of compensation for the previous financial year.
- Review the compensation policy during discussions with the Human Resources and Investor Relations departments.

Group Operations department

GROUP HUMAN RESOURCES DEPARTMENT

- Prepares the work of the Compensation Committee.
- May, with the consent of the Compensation Committee, participate in its meetings.
- Oversees the implementation of the policy.

Shareholder dialogue

As part of the dialogue with its shareholders, Crédit Agricole S.A. organises meetings with investors prior to the Annual General Meeting and throughout the year on topics related to corporate governance and executive compensation. Each year, the Group reviews its policy in the light of this feedback.

In 2019, these meetings provided an opportunity to present changes in the compensation policy for Executive Corporate Officers to approximately 10 investors and proxies of Crédit Agricole S.A., which will be submitted for shareholder approval at the General Meeting of 13 May 2020, and to take note of their voting policy.

The quality of the shareholder dialogue, reported to the Compensation Committee, has resulted in regular shareholder support for the compensation policy, which is proposed to the General Meeting for approval.

Rate of approval of resolutions on compensation policy at the General Meeting

	General Meeting 2017	General Meeting 2018	General Meeting 2019
Principles and criteria for the compensation of the Chairman of the Board of Directors	99.2%	99.9%	99.9%
Principles and criteria for the compensation of the Chief Executive Officer	96.7%	92.6%	91.9%
Principles and criteria for the compensation of the Deputy Chief Executive Officer	96.7%	94.4%	92%

Refer to the glossary page 647 for the definition of the technical terms.

Reminder: in the event of a negative vote at the General Meeting on the compensation policy, the policy of the previous year will apply. The Board of Directors meets within a reasonable time period following the General Meeting to review the reasons for this vote in order to propose a new compensation policy in line with the expectations expressed by shareholders.

Principles

Executive Corporate Officers receive fixed, variable and peripheral elements of compensation, adapted to their specific objectives, in line with the Group's reward policy.

They are decided by the Board of Directors, on the advice and/or recommendations of the Compensation Committee, in accordance with the principles defined by Crédit Agricole S.A. compensation policy reviewed and adopted by the Board of Directors on 13 February 2020 and the statutory and regulatory provisions in force.

The Board endeavours to strike a balance between the various components of compensation and to take market practices into account. Thus, each year studies are carried out with the assistance of an outside consultant, Willis Towers Watson for 2019-2020, on the positioning of Executive Corporate Officers' compensation in relation to other CAC 40 companies and the financial sector. They rely on these companies' annual reports and press releases to ensure consistency in compensation principles and levels.

2020 compensation policy for the Chairman of the Board of Directors

The annual fixed compensation of the Chairman of the Board of Directors has been €520,000 since 4 November 2015. There are no plans to change this in 2020.

In order to guarantee complete independence in the performance of his duties, the **Chairman of the Board of Directors** is not eligible for any variable compensation, including long-term incentive plans, stock-options or performance share award plans, or any other long-term compensation schemes existing within Crédit Agricole S.A.

The Chairman of the Board of Directors also waived any compensation due in respect of his function as a Director in Group companies during and at the end of his term of office as Chairman of the Board of Directors.

He is entitled to a housing allowance of €40,000 granted on his appointment.

The Chairman of the Board of Directors does not benefit from any severance payment or non-competition compensation, nor any additional pension scheme or private healthcare insurance in force within the Group.

2020 compensation policy for Chief Executive Officers

Fixed compensation

The amount of annual fixed compensation is decided by the Board of Directors acting on the recommendation of the Compensation Committee, taking into account:

- the experience and scope of responsibilities of Executive Corporate Officers;
- market practices and compensation packages observed for the same or similar functions in other major listed companies.

Fixed compensation accounts for a significant proportion of total compensation.

The fixed annual compensation of the Chief Executive Officer has been €1,100,000 since May 2018.

The annual fixed compensation of the Deputy Chief Executive Officer has been €700,000 since 19 May 2015.

On the proposal of the Compensation Committee, the Board of Directors' meeting of 13 February 2020 decided to maintain the fixed compensation of the Executive Directors unchanged.

Annual variable compensation

In its meeting on 13 February 2020, the Board of Directors, acting on a proposal from the Compensation Committee, reviewed the variable compensation policy for the Chief Executive Officer and the Deputy Chief Executive Officer – unchanged since 2010 – in order to ensure its alignment with the 2022 Medium-Term Plan.

Changes in compensation policy: annual variable compensation

	Main changes	Summary of the 2019 compensation policy	2020 compensation policy submitted to shareholders for approval
Performance criteria	▪ Reinforcement of the weighting of the financial criteria from 50% to 60%; ▪ Transition from four to three financial criteria, in line with the commitments made in the 2022 Medium-Term Plan ▪ Alignment of non-financial criteria with the Customer, Human-centric and Societal Projects ▪ Weighting of quantifiable or quantified criteria	▪ Financial criteria (50%): Revenues, net income Group share, RoTE, cost/income ratio ▪ Non-financial criteria (50%) defined in accordance with strategic priorities	▪ Financial criteria (60%) aligned with financial targets: underlying net income Group share, RoTE and cost/income ratio excl. SRF ▪ Non-financial criteria (40%) in line with the Customer, Human-centric and Societal Projects of the 2022 Medium-Term Plan

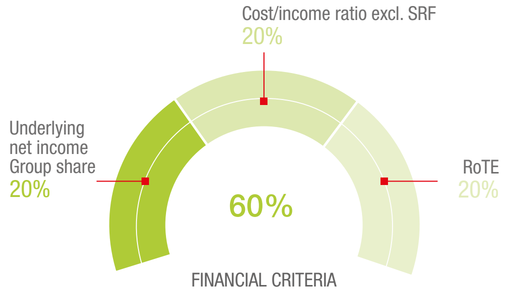
This policy is part of the framework established for the variable compensation of the Group's executive managers.

Variable compensation is expressed as a percentage of annual fixed compensation. In accordance with the AFEP/MEDEF Code, variable compensation is capped and may not exceed the maximum levels set out in the compensation policy:

- it can vary from **0% to 100%** (target level) of fixed compensation for the **Chief Executive Officer,** if all objectives are attained, and up to a maximum of **120% (maximum level)** of fixed compensation for exceptional performance;
- for the **Deputy Chief Executive Officer,** variable compensation can vary from **0% to 80%** (target level) of fixed compensation if all objectives are attained and up to a maximum of **120% (maximum level)** of fixed compensation for exceptional performance.

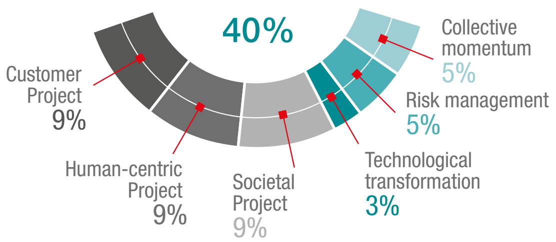
The overall performance of each Executive Corporate Officer is assessed on the basis of a balance between economic, financial and extra-financial performance. Their annual variable compensation is **60% based on financial criteria** and **40% based on non-financial criteria,** defined each year by the Board of Directors, on the recommendation of the Compensation Committee.

Breakdown of variable compensation criteria



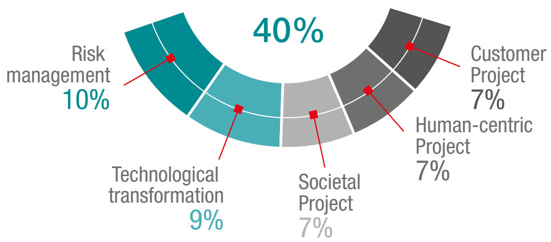
Chief Executive Officer

NON-FINANCIAL CRITERIA



Deputy Chief Executive Officer

NON-FINANCIAL CRITERIA



2022 Medium-Term Plan: alignment of the annual variable compensation criteria with the strategic objectives

			CEO	DEPUTY CEO
FINANCIAL CRITERIA 60%	**Financial performance**	Underlying net income Group share	20%	20%
		RoTE	20%	20%
		Cost/income ratio excl. SRF	20%	20%
NON-FINANCIAL CRITERIA 40%	**Three pillars of the Medium-Term Plan**	Customer Project, excellence in customer relations	9%	7%
		Human-centric Project, empowered teams for customers	9%	7%
		Societal Project, commitment to society	9%	7%
	Technological change		3%	9%
	Risk management and compliance		5%	10%
	Collective momentum with the Group		5%	0%

The performance of the Chief Executive Officer and the Deputy Chief Executive Officer is evaluated for each indicator, by comparing results achieved with the annual targets defined by the Board of Directors (confidential information). The evaluation of the Deputy Chief Executive Officer's performance is proposed by the Compensation Committee to the Board of Directors, for decision, after consultation with the Chief Executive Officer.

The financial criteria relate to the scope of Crédit Agricole S.A. For each of these, the target is set on the basis of the budget approved by the Board of Directors with regard to the 2022 objectives announced. For the aggregate of these criteria, the maximum achievement rate cannot exceed 150%. For the financial criteria, reaching the trigger threshold leads to a realisation rate of 60%. Below this level, the achievement rate will be considered nil. The calculation of the performance between the different limits is linear.

Terms of vesting of annual variable compensation

Following the assessment of the annual performance, a portion of the variable compensation awarded by the Board of Directors for a year is deferred over three years, subject to approval by the General Meeting of Shareholders, in the interests of aligning the compensation of Executive Corporate Officers with the Group's long-term performance and to comply with regulations of the branch.

Deferred portion of annual variable compensation, accounting for 60% of the total

60% of annual variable compensation is awarded in instruments linked to the Crédit Agricole S.A. share price. Vesting is contingent on achieving three complementary performance objectives, whose overall achievement rate cannot exceed 100%:

- the intrinsic financial performance of Crédit Agricole S.A. defined as growth of its operating income increased by the Group share of equity-accounted net income;
- the relative performance of Crédit Agricole S.A. shares compared with the share price trend in relation to a composite index of European banks (Euro Stoxx Banks);

Refer to the glossary page 647 for the definition of the technical terms.

- annual societal performance of Crédit Agricole S.A. as measured by the FReD index. The assessment of the growth of this index is measured through progress points in the CSR projects. This assessment is certified by PricewaterhouseCoopers, see description in Chapter 2.

If an Chief Executive Officer leaves the Group before the vesting of a given instalment of deferred compensation, the payment of this instalment of deferred compensation is excluded, except in the event of retirement or exceptional circumstances, the grounds for which must be substantiated by the Board of Directors. In such cases, unaccrued instalment of deferred variable compensation are delivered at their planned vesting date depending on the level of achievement of performance conditions.

If it is found within a period of five years after payment that a Chief Executive Officer: (i) is responsible for or has contributed to significant losses to the detriment of the Group or (ii) has demonstrated particularly serious risky behaviour, the Board of Directors reserves the right to demand the restitution in full or in part of amounts already paid subject to French law in force (clawback clause).

Non-deferred portion of total variable compensation, accounting for 40% of the total

The non-deferred variable compensation approved by the General Meeting and accounting for 40% of the total, is paid in part (30 points) on the approval by the shareholders in May, and with an amount equal to 10 points paid in September. The latter payment is indexed to the change in the Crédit Agricole S.A. share price between March and September.

Long-term variable compensation

Subject to the approval of the 39th resolution by the General Meeting of 13 May 2020, as of 2020, the Chief Executive Officer and the Deputy Chief Executive Officer are now eligible for the free grant of performance shares, within the framework of a budget strictly limited to 0.1% of the social capital, in order to strengthen their association with the creation of long-term value of Crédit Agricole S.A. Where applicable, these shares will vest at the end of a period of three years and may only be sold after a retention period of two years from the date of vesting.

The number of shares granted each year by the Board of Directors, valued on the basis of the Crédit Agricole S.A. share weighted average price during the 20 business days prior to the Board meeting, is capped at 20% of the annual fixed compensation.

Changes in compensation policy: long-term variable compensation

	Main changes	Summary of the 2019 compensation policy	2020 compensation policy submitted to shareholders for approval
Mechanism and terms of vesting	Introduction of a performance share plan	No long-term variable compensation	■ Three conditions that assess the Group's intrinsic performance, its relative performance in relation to the market and its societal performance ■ Delivery in the form of shares available at the end of a five-year period consisting of a three-year vesting period and a two-year retention period

Terms of vesting of long-term variable compensation

Vesting is contingent on achieving three complementary performance objectives, whose overall achievement rate cannot exceed 100%. These performance conditions equally take the Group's intrinsic performance, its relative performance and its societal performance into account, but with more demanding targets than those applied to deferred annual variable compensation.

	Weighting	Trigger Achievement rate: 80%	Target Achievement rate: 100%	Ceiling Achievement rate: 120%
Crédit Agricole S.A.'s intrinsic economic performance; Crédit Agricole S.A.'s underlying net income Group share accumulated over the reference period	33.3%	80% of budget	100% of budget	120% of budget
The relative performance of the Crédit Agricole S.A. share price compared with a composite index of European banks (Euro Stoxx Banks), on a cumulative basis over the reference period	33.3%	Median positioning	1st quartile positioning	Rank 5 of the positioning
Annual societal performance of Crédit Agricole S.A. as measured by the FReD index	33.3%	+0.75 FReD point	+1.5 FReD point	+2.25 FReD points

Each of these conditions accounts for one-third of the overall performance assessment. For each condition:

- the maximum achievement rate cannot exceed 120%;
- a trigger threshold is applied, below which the achievement rate will be considered zero.

For each year, the overall performance is equal to the average achievement rate for each performance criterion, which is capped at 100%. Performance between the trigger threshold and target as well as between the target and ceiling is calculated on a straight-line basis.

If an Executive Corporate Officer leaves the Group before the vesting of the long-term variable compensation, the vesting of Crédit Agricole S.A. shares is excluded, except in the event of retirement or exceptional circumstances, the grounds for which must be substantiated by the Board of Directors. In such cases, the shares not yet vested are delivered at their scheduled vesting date depending on the level of achievement of performance conditions.

If it is found within a period of five years after delivery of shares that an Executive Corporate Officer: (i) is responsible for or has contributed to significant losses to the detriment of the Group or (ii) has demonstrated particularly serious risky behaviour, the Board of Directors reserves the right to demand the restitution in full or in part of shares already delivered subject to French law in force (clawback clause).

The Chief Executive Officer and the Deputy Chief Executive Officer are required to retain, until the end of their functions, 30% of the shares vested each year.

They are also prohibited from implementing hedging or insurance strategies over the vesting and holding periods of performance shares.

Structure of compensation over time

			Y-1	Y	Y+1	Y+2	Y+3	Y+4	Y+5
Fixed compensation			Y-1						
Annual variable compensation	Undeferred portion	30%		May N					
		10%		Sept. Y					
	Deferred portion	20%			Sept. Y+1				
		20%				Sept. Y+2			
		20%					Sept. Y+3		
Long-term variable compensation		100%							May Y+5

Subject to clawback.
For the deferred portion and long-term variable compensation, subject also to the satisfaction of performance and continued employment conditions.

- Payment in cash
- Payment in Crédit Agricole S.A. share-linked instruments at the end of a retention period
- Vested in shares available at the end of a five-year period

Private healthcare insurance

The Chief Executive Officer and Deputy Chief Executive Officer are covered by the same private healthcare insurance schemes as employees.

Post-employment benefits

Under the commitments authorised by the Board of Directors on May 19, 2015, the Chief Executive Officer and the Deputy Chief Executive Officer receive:

- severance payment in the event that his office is terminated by Crédit Agricole S.A.;
- non-compete compensation if a non-competition clause is triggered, for a period of one year from the termination of his office, regardless of the cause;
- the supplementary pension scheme for executive managers of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

The benefit represented by this supplementary pension scheme was taken into account by the Board of Directors in determining the total compensation of Executive Corporate Officers.

Retirement

From 2010 to 2019, the supplementary pension scheme, also applicable to the Chief Executive Officer and Deputy Chief Executive Officer, consisted of a combination of defined-contribution pension schemes and a defined-benefit top-up scheme:

- contributions to the defined-contribution pension scheme equal 8% of gross salary capped at eight times the social security ceiling (of which 3% paid by the Executive Corporate Officer);
- defined-benefit scheme top-up rights are equal to 1.20% of the reference compensation for every year of service, capped at 36% of the reference compensation, on the condition that the beneficiary is a Corporate Officer or an employee when claiming his or her pension entitlements.

The reference compensation is determined as the average of the three highest gross annual compensations received over the last ten years of activity within the Crédit Agricole Group, including fixed and variable compensation, the latter being taken into account with a maximum of 60% of fixed compensation.

In any event, at retirement, the total pension annuity is capped, for all company pension schemes and mandatory basic and complementary schemes, by contractual provisions, at sixteen times the annual social security cap for the Chief Executive Officer and the Deputy Chief Executive Officer, and at 70% of the reference compensation in application of the supplementary pension rules for Crédit Agricole S.A. executive managers.

The Board of Directors Meeting on 19 May 2015 approved the membership of Philippe Brassac and Xavier Musca in the Crédit Agricole S.A. Group's supplementary pension schemes prior to the date of publication of Law No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities; therefore the provisions of Article L. 225-42-1 of the French Commercial Code (Code de commerce), which makes the vesting of annual supplementary pension entitlements subject to performance conditions, do not apply.

The supplementary defined-benefit pension scheme in effect for Executive Corporate Officers complies with the recommendations set out in the AFEP/MEDEF Code, the provisions of Law No. 2015-990 of 6 August 2015 on growth, activity and equal economic opportunities, and notably Article L. 225-42-1 of the French Commercial Code on the vesting of annual contingent rights for supplementary defined-benefit pensions:

- the group of potential beneficiaries is substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the AFEP/MEDEF Code requires only two years' service);
- progression: proportional to the length of service capped at 120 quarters (30 years), with a vesting rate of between 0.125% and 0.30% per quarter validated, *i.e.* between 0.5% and 1.2% per annum (vs. 3% maximum required);
- estimated supplementary pension below the mentioned ceiling of 45% of fixed and variable compensation due for the reference period;
- obligation for the beneficiary to be a Corporate Officer or an employee when claiming their pension entitlements.

This defined-benefit pension scheme, which falls within the category of schemes referred to in Article L. 137-11 of the French Social Security Code, is outsourced to an organisation governed by the French Insurance Code.

Funding of the outsourced assets is accomplished via annual premiums entirely paid for by the employer and subject to the 24% contribution required by Article L. 137-11 of the French Social Security Code.

In accordance with the PACTE Act and the provisions of Order No. 2019-697 of 3 July 2019, this scheme was permanently closed as of 4 July 2019, and the conditional rights it provides have been frozen as of 31 December 2019.

The rights established by the Group prior to the effective date of the 2010 rules are maintained in accordance with these rules and, if applicable, are added to the rights resulting from these rules, particularly when calculating the maximum annuity that can be paid.

Following the promulgation of Order No. 2019-697 of 3 July 2019, the Board of Directors' meeting of 17 December 2019, on the proposal of the Compensation Committee:

Refer to the glossary page 647 for the definition of the technical terms.

- took note of the freeze of the defined-benefit scheme at December 31, 2019;
- approved the introduction of an Article 82 defined-contribution scheme as from 1 January 2020.

Thus, no additional rights under the supplementary defined-benefit pension scheme will be granted in respect of periods of employment after 1 January 2020. Any rights accrued with respect to periods of employment prior to 1 January 2020 will continue to be calculated on the end-of-career salary, under the conditions provided for in the scheme, and the benefit of these past rights remain uncertain and subject to continued employment.

Having satisfied his entitlements under this scheme, Philippe Brassac will not be entitled to benefits from the new Article 82 defined contribution scheme.

Xavier Musca will be entitled to benefits from the Article 82 defined-contribution scheme. This scheme provides for the payment of an annual company contribution on the part of his annual fixed compensation at a rate of 20%.

In accordance with the AFEP/MEDEF code, annual contributions for any given year are subject to performance conditions. These are identical to the conditions for the vesting of deferred annual variable compensation, *i.e.* the achievement of three complementary performance objectives related to the intrinsic economic performance of Crédit Agricole S.A., the stock market performance of Crédit Agricole S.A. share, and the Group's societal performance.

Changes in compensation policy: supplementary pension

	Main changes	Summary of the 2019 compensation policy	2020 compensation policy submitted to shareholders for approval
Changes to the pension scheme	Compliance with new regulatory requirements (PACTE Act)	Combination of a defined-contribution system and a defined-benefit top-up scheme	▪ End of the defined-benefit plan and consolidation of rights as at 31 December 2019 ▪ Continuation of the Art. 83 defined-contribution supplementary pension schemes ▪ Introduction of a performance-based defined contribution plan (Art. 82) for the benefit of the Deputy Chief Executive Officer

Retirement allowances for the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A.

Philippe Brassac and Xavier Musca qualify for the retirement benefits scheme that applies to all employees under the terms of the Crédit Agricole S.A. collective agreement. This can amount to six months' fixed salary plus variable compensation capped at 4.5% of fixed salary.

Severance payment

Chief Executive Officer

In the event of termination of the Chief Executive Officer's office, his employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Management Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of his office.

The Chief Executive Officer will receive severance payment if his office is terminated by Crédit Agricole S.A., under the following conditions and in accordance with the current recommendations of the AFEP/MEDEF Code.

If, on termination of the Chief Executive Officer's office, Crédit Agricole S.A. is unable, within three months, to offer an equivalent or comparable position to that currently held by the members of the Executive Committee of Crédit Agricole S.A. in the form of an offer for at least two positions, he will be eligible, if termination of the office was initiated by Crédit Agricole S.A. and a result of a change in control or strategy, to severance payment as follows.

The severance payment will be calculated based on twice the total gross annual compensation received for the calendar year preceding the year of termination of Mr Brassac's office. Note that such severance payment includes all other compensation including, notably, the redundancy pay due for Mr Brassac's employment contract with Crédit Agricole S.A. under the collective agreement, the severance pay described in Article 10 of his suspended employment contract, any other severance pay of any type whatsoever due for any reason and, potentially, compensation in application of the non-competition clause.

The payment of this severance compensation, excluding the compensation granted to him by his employment contract, will depend on performance criteria set for each business line of the Crédit Agricole S.A. Group over the two financial years preceding the termination date. The goals are based on the following indicators that take into account the internal growth of these activities as well as the cost of risk:

- revenues of operational business lines (excluding Corporate Centre);
- operating income from operational business lines (excluding Corporate Centre).

In any event, it is agreed by Mr Brassac and the Company that, in the event that a severance payment is made and he is able to retire on his full pension, he may not claim his retirement rights before a period of twelve months as of the date the severance payment is made. Otherwise, Mr Brassac will be required to waive the severance payment.

Deputy Chief Executive Officer

In the event of termination of the Deputy Chief Executive Officer's office, his employment contract will be reinstated under compensation conditions equivalent to the average annual compensation paid to the members of the Management Committee of Crédit Agricole S.A., excluding Executive Corporate Officers, during the 12 months preceding the date of termination of his office. The Company undertakes to offer him at least two positions corresponding to the duties of members of Crédit Agricole S.A.'s Management Committee.

If his employment contract is subsequently terminated, the Deputy Chief Executive Officer will receive severance payment, calculated on a base corresponding to twice the annual gross compensation (excluding benefits in kind) received during the 12 months preceding the termination of his office, including any other compensation and, in particular, traditional redundancy pay and any applicable non-competition payment. If he becomes eligible for post-employment benefits, no severance payment will be made.

In accordance with the AFEP/MEDEF Code, the Chief Executive Officer and the Deputy Chief Executive Officer are not entitled to a specific increase in their compensation during the period preceding their departure.

Non-compete clause

The Chief Executive Officer and the Deputy Chief Executive Officer are subject to a non-compete clause forbidding them from accepting employment in France in a company with an activity which competes with that of Crédit Agricole S.A. This commitment applies for a term of one year from termination of the employment contract. In exchange, they will be paid monthly compensation equal to 50% of their last fixed salary for the duration of the obligation.

In accordance with the French AFEP/MEDEF Code, the aggregate compensation paid in respect of a severance payment and non-compete compensation may not exceed two years of annual compensation.

The Board of Directors reserves the right to partially or fully lift the non-compete obligation on the departure of the Chief Executive Officer or Deputy Chief Executive Officer. In any event, in accordance with the legal provisions and the AFEP/MEDEF Code, no non-compete compensation will be granted should the Chief Executive Officer or Deputy Chief Executive Officer claim retirement benefits, or should they leave after their 65th birthday.

Benefits of any kind

The Board of Directors, on the recommendation of the Compensation Committee, has validated the use of company cars, also for private use, for the Chief Executive Officer and the Deputy Chief Executive Officer. This benefit will be reported in accordance with the applicable social and tax regulations.

Compensation for Director's term of office

The Chief Executive Officer and the Deputy Chief Executive Officer waived their right to receive any compensation for serving as Directors of Group companies for the duration of their terms of office.

Exceptional compensation

The Board of Directors does not provide for the granting of exceptional compensation to Executive Corporate Officers.

Arrival of a new Executive Corporate Officer

In the event that a new Executive Corporate Officer is appointed, their compensation will be determined by the Board of Directors:

- either in accordance with compensation policy as approved by the General Meeting;
- or in accordance with existing practices for the same role, adapted as appropriate when this person exercises new functions or holds new office without equivalent in the previous financial year.

4.3.2. Director compensation policy submitted to shareholders for approval

	System
ALLOCATED COMPENSATION Acknowledging the involvement and attendance of Directors on the Board	**Compensation for Director's term of office**
	The compensation of Board members is based entirely on their attendance at Board meetings and their assumption of responsibility within its Committees. Directors receive the same compensation for attending strategy retreats and special meetings, *i.e.* those not on the annual calendar, and scheduled meetings, up to a maximum of the total amount approved. Training sessions, preparatory meetings of Committee Chairs with management and meetings of Chairmen and/or Committees with the supervisor are not compensated. Board members receive additional compensation for attending meetings of the Specialised Committees: the Chairmen of the Board's Specialised Committees receive an annual flat rate compensation, which differs according to the Committee. Committee members receive a set amount for each Committee Meeting they attend. Non-voting Directors receive the same compensation for attending Board Meetings and, when they are members, Specialised Committee Meetings. The compensation package for a Director's term of office is €1.65 million. The Board, on the recommendation of the Compensation Committee, decided on its distribution as follows: ▪ €4,000 per Board meeting; ▪ €2,700 per Committee meeting; ▪ an annual fixed amount of €20,000, allocated to the Chairs of the Compensation Committee, Appointments and Governance Committee, and United States Risk Committee, respectively; ▪ €35,000 flat fee for the Chairmanship of the Risk Committee; ▪ €35,000 flat fee for the Chairmanship of the Audit Committee. Board and Committee meetings are scheduled on an annual basis, in addition to exceptional meetings, depending on current events or specific matters. On average, the Board meets between 10 and 12 times a year and the Special Committees meet between 35 and 40 times a year. Year on year, Directors' compensation varies within a narrow range, depending on attendance and the number of meetings attended (by way of example, see table of fees paid out in 2019). **SPECIAL CASES:** The Chairman receives only a flat rate compensation. Renée Talamona has waived the right to receive compensation both for her duties as a Director and for attending meetings of the Strategy and CSR Committee on which she sits. The three Directors representing employees on the Board do not receive any compensation for their office as Director. These payments are made to their unions. Irrespective of attendance and the situations mentioned above, the cases of non-payment of Directors' compensation are those provided for by law.
EXPENSES	**Reimbursement of expenses**
	The Board has also set up a system for reimbursing Board members for travel expenses, based on costs incurred by each member for attending Board and Committee Meetings. This system, which complies with the provisions of Article R. 225-33 of the French Commercial Code, is renewed annually by the Board.

Refer to the glossary page 647 for the definition of the technical terms.

4.3.3. Report on the compensation of Corporate Officers for 2019 submitted for shareholder approval

Taking into account the expectations of investors and shareholders

As part of the dialogue with its investors and shareholders, Crédit Agricole S.A. organised some ten of meetings in 2019, which provided an opportunity to discuss compensation policy and the elements allocated to its executives.

The high approval rates for the resolutions concerning the elements of compensation allocated to Executive Corporate Officers attest to the quality of this dialogue.

Rate of approval of resolutions on elements allocated at General Meetings

	General Meeting 2017	General Meeting 2018	General Meeting 2019
Compensation for the Chairman of the Board of Directors	97.9%	99.9%	99.9%
Compensation for the Chief Executive Officer	89.7%	96.2%	96.5%
Compensation for the Deputy Chief Executive Officer	89.6%	96.2%	96.6%

Reminder: in the event of a negative vote on individual elements of compensation at the General Meeting, the variable compensation awarded for the past fiscal year to the Corporate Officer concerned by the resolution will not be paid. It should be noted that as of the 2020 General Meeting, a resolution on the elements allocated to all Corporate Officers will be proposed for shareholder approval. If this resolution is not approved, the payment of compensation to the Directors in respect of their office will then be suspended.

Furthermore, if a resolution is rejected, the Board of Directors meets within a reasonable time period following the General Meeting to look into the reasons for such vote, and the expectations expressed by shareholders.

Chairman of the Board of Directors

Elements of compensation paid in financial year 2019 or awarded for financial year 2019 to Dominique Lefebvre, Chairman of the Board of Directors, subject to approval by shareholders

	Amount	Presentation
Fixed compensation	€520,000	Dominique Lefebvre receives annual fixed compensation of €520,000. This compensation was set by the Board of Directors at its meeting on 4 November 2015; it has not changed since.
Annual variable compensation	No payment for 2019	Dominique Lefebvre is not entitled to any variable compensation.
Long-term variable compensation		
Collective variable compensation		
Exceptional compensation	No payment for 2019	Dominique Lefebvre is not entitled to any exceptional compensation.
Compensation for Director's term of office	No payment for 2019	Dominique Lefebvre has waived the right to receive any compensation in respect of offices held in Crédit Agricole Group companies for the duration of his term of office or at the end of his term.
Benefits of any kind	€40,000	Dominique Lefebvre receives a housing allowance.
Supplementary pension scheme	No payment for 2019	Dominique Lefebvre is not entitled to the supplementary pension scheme in place within the Group.

Commitments of any kind made by the Company and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments

	Amount	Presentation
Severance payment	No payment made for 2019	Dominique Lefebvre is not entitled to any severance payment.
Non-competition compensation	No payment made for 2019	Dominique Lefebvre is not entitled to any non-competition compensation.

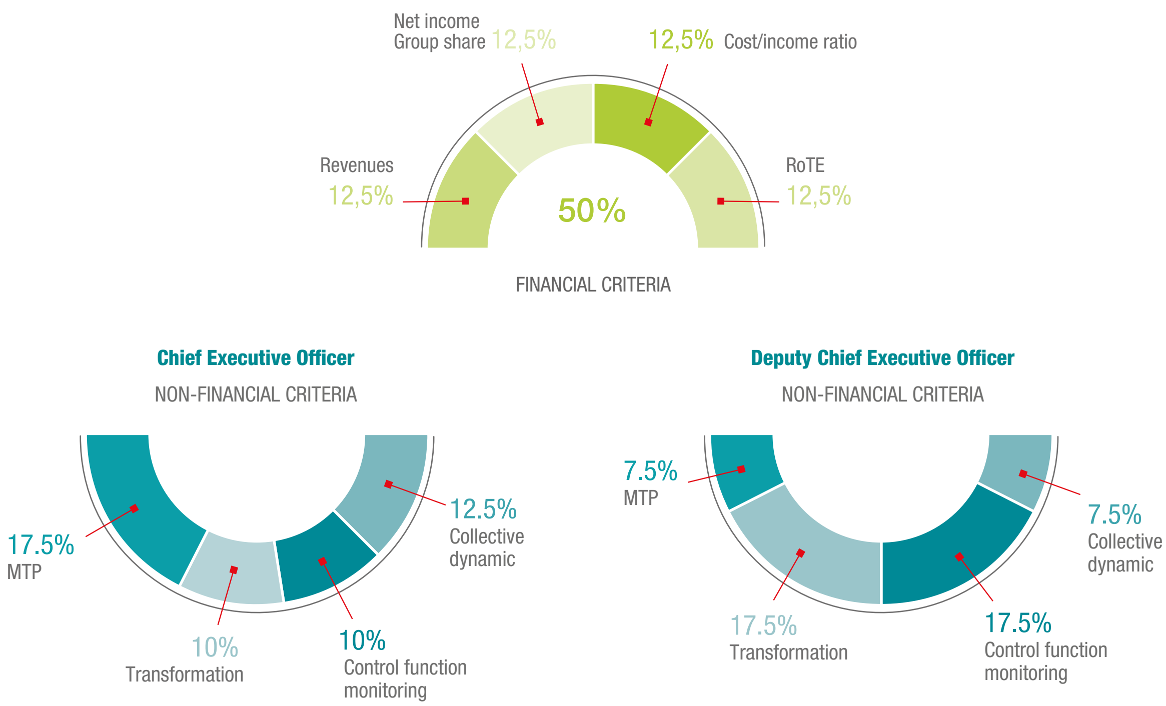
Executive Corporate Officers

Rate of achievement of variable compensation criteria awarded for 2019 for Executive Corporate Officers

On 13 February 2019, the Board of Directors set the criteria for reviewing the annual variable compensation for financial year 2019 for the Executive Corporate Officers.

In accordance with compensation policy as approved by the General Meeting of 21 May 2019, they possess the following characteristics:

Criteria governing the annual variable compensation of Executives Corporate Officers



Financial criteria, accounting for 50% of variable compensation awarded

The Board of Directors of 13 February 2020 has noted the following performances:

Financial criteria	Weighting	Actual performance 2019
Revenues	12.5%	13.0%
Net income Group share	12.5%	14.2%
Cost/income ratio (Coex)	12.5%	12.9%
Return on Tangible Equity (RoTE)	12.5%	13.7%
TOTAL	**50.0%**	**53.8%**

With an achievement level of financial targets of 107.6%, the Group exceeds its objectives on all criteria, with in particular:

- a good revenue momentum and an achievement rate on this criterion of 103.9%;
- this momentum, combined with continued cost control resulting from operational efficiency efforts, is reflected in a positive jaws effect enabling an improvement of the cost/income ratio (103.6%);
- the above two points combined with good control of the cost of risk make it possible to post a solid net income Group share with a 113.5% target achievement rate, which is also reflected in the RoTE rate (109.4%).

Non-financial criteria, accounting for 50% of variable compensation awarded

Non-financial criteria	Weighting-CEO	Actual performance 2019-CEO	Weighting Deputy-CEO	Actual performance 2019 Deputy-CEO
Finalisation of the MTP	17.5%	21.9%	7.5%	9.4%
Transformation of the Group	10%	11.0%	17.5%	19.3%
Steering control function	10%	12.0%	17.5%	21.0%
Collective momentum	12.5%	15.6%	7.5%	9.4%
TOTAL	**50.0%**	**60.5%**	**50.0%**	**59.0%**

Refer to the glossary page 647 for the definition of the technical terms.

The Board of Directors meeting of 13 February 2020, upon proposal by the Compensation Committee, set the Chief Executive Officer's performance at 121% and the Deputy Chief Executive Officer's performance at 118% in relation to the achievement of the non-financial targets defined at the start of the financial year, which include a specific weighting applied to each of their duties. It thus notes specific successes for the Medium-Term Plan:

- **the finalisation of the 2020 Medium-Term Plan** has resulted in a number of successes: the expansion of the Customer Project that has enabled Crédit Agricole Group to grow its customer base of 1,800,000 additional clients in 2019 in France and Italy[1], the ongoing reinvention of the relationship on a daily basis (deployment of the "Trajectoires Patrimoine" approach providing real added value in personalised advice regardless of the size of the customer's assets, the launch of a new "LCL Essentiel" service, the development of platforms and services to facilitate the daily life of entrepreneurs and associations, development of green credit offers on the retail market, etc.), a significant increase in the Group's digital competitiveness, resulting in the upgrade of the aggregate rating of the Group's Retail banking - France activities by the D-rating agency[2], targeted external growth operations and continued progress in revenue synergies;
- **the Group's transformation projects** carried out in 2019 contributed to a significant improvement in operating efficiency, resulting in a 1.1 point decrease in the cost/income ratio excluding SRF;
- **the management of control functions in the light of regulatory intensification:** management of the Risk and Compliance functions has enabled the monitoring and strategic contribution to the various regulatory projects, the development of the compliance culture in order to integrate it natively into behaviours and processes, and the growing positioning of Compliance as a differentiating asset in the service of customer satisfaction, development and sustainable performance;
- **the Group's collective dynamic** strengthened continuously during the Ambition 2020 Medium-Term Plan. The Net Promoter Score has risen over the past four years both in terms of the Group's strengths and in areas for improvement. It testifies in particular to a pride in belonging to the Group and understanding and adherence to its strategy.

As a result, the variable annual compensation of the Chief Executive Officer amounts to €1,257,300, corresponding to an overall performance rate of 114.3% and the annual variable compensation of the Deputy Chief Executive Officer of €631,700, corresponding to an overall performance rate of 112.8%.

Rate of achievement of the performance conditions determining the variable compensation paid in 2019 to Executive Corporate Officers

	Weighting	Trigger Achievement rate: 80%	Target Achievement rate: 100%	Ceiling Achievement rate: 120%	Actual performance 2016 plan	Actual performance 2017 plan	Actual performance 2018 plan
Intrinsic financial performance	33.3%	80% of budget	100% of budget	120% of budget	110%	110%	110%
Relative Crédit Agricole S.A. share performance	33.3%	3rd quartile positioning	Median positioning	1st quartile positioning	120%	103%	107%
Societal performance	33.3%	+0.75 FReD point	1.5 FReD point	+2.25 FReD points	103%	103%	103%
TOTAL	**100%**				**100%**	**100%**	**100%**

In view of the performance recorded in respect of the three criteria, the final percentage vested is 100% for the variable compensation instalment awarded in 2016, 2017 and 2018.

Elements of compensation paid in financial year 2019 or awarded for financial year 2019 to Philippe Brassac, Chief Executive Officer, subject to approval by shareholders

Elements of compensation paid in or awarded for financial year 2019

	Amount	Presentation
FIXED COMPENSATION	€1,100,000	Since 16 May 2018, Philippe Brassac has received a fixed annual compensation of €1,100,000. This compensation was set by the Board of Directors on 13 February 2018 and approved by the General Meeting of 16 May 2018.
ANNUAL VARIABLE COMPENSATION **Non-deferred variable compensation**	€377,190	At its meeting of 13 February 2020, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Philippe Brassac for 2019, subject to its approval by the General Meeting of 13 May 2020. In view of the achievement of financial and non-financial objectives decided by the Board at its meeting of 13 February 2019 and approved by the General Meeting of 21 May 2019, the amount of variable compensation has been determined on the following basis: ▪ achievement level of financial objectives: 107.6%; ▪ achievement level of non-financial objectives: 121% Details of the achievement of these objectives can be found on page 196 of the Universal Registration Document. Based on the weighting of the criteria, Philippe Brassac earned €1,257,300 in variable compensation for financial year 2019, reflecting a target achievement ratio of 114.3%. This was equivalent to 114.3%. of his fixed reference compensation. As a reminder, the annual variable compensation is capped at 120% of the reference fixed compensation, with a target of 100%. 30% of the variable compensation, namely €377,190, will be paid in May 2020, subject to approval by the General Meeting of 13 May 2020.

(1) Gross customers capture individuals and entrepreneurs for Regional Banks, LCL and CA Italia.
(2) Rating agency for the digital performance of companies.

Refer to the glossary page 647 for the definition of the technical terms.

	Amount	Presentation
Variable compensation limited to the Crédit Agricole S.A. share price	€125,730	10% of the variable compensation, namely €125,730, is linked to the Crédit Agricole S.A. share price and will be paid in September 2020 subject to approval by the General Meeting of 13 May 2020.
Deferred and conditional variable compensation	€754,380	60% of the variable compensation, or €754,380 at the grant date, subject to the approval of the General Meeting of 13 May 2020, are awarded in Crédit Agricole S.A. share-linked instruments. Their final vesting is deferred progressively over three years, subject to achieving three performance objectives and to a clawback clause. Details of the vesting conditions of the deferred variable compensation can be found on pages 190 and 191 of the Universal Registration Document.
LONG-TERM VARIABLE COMPENSATION	No award for 2019	Philippe Brassac was not awarded any stock options or performance shares or any other long-term compensation for 2019.
EXCEPTIONAL COMPENSATION	No payment for 2019	Philippe Brassac has received no exceptional compensation for 2019.
COMPENSATION FOR DIRECTOR'S TERM OF OFFICE	No payment for 2019	Philippe Brassac has waived the right to receive compensation for his duties as a Director of Group companies for the entire duration of his term of office.
BENEFITS OF ANY KIND	No benefits in kind for 2019	Philippe Brassac has received no benefits in kind for 2019.
SUPPLEMENTARY PENSION SCHEME	No payment for 2019	No supplementary pension amount is payable to Philippe Brassac for financial year 2019. Philippe Brassac's annual and conditional individual supplementary pension entitlements as at 31 December 2019 include: ■ a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €5,000; ■ a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €527,000. The estimated total of these supplementary pension entitlements, taken together with estimated pensions from mandatory retirement schemes, corresponds to the application of the contractual cap of sixteen times the annual social security cap as of the closing date, for all schemes. The uncertain entitlements under the defined-benefit supplementary pension scheme are estimated on the basis of 37 years' service recorded at 31 December 2019, after capping corresponding to 33% of the reference compensation at that date – *i.e.* a zero increase in contingent rights compared with financial year 2018. This change meets the requirements of Article L. 225-42-1 of the French Commercial Code (repealed by Order No. 2019-1234 of 27 November 2019) limiting the annual increase in contingent rights to 3%. The published estimated amounts are the gross amounts before taxes and social security charges applicable at the reporting period end date, particularly income tax payable by individuals and supplementary contributions of 7% and 14%, payable by the beneficiary, which are deducted from the life annuities payable under the defined-benefit supplementary pension scheme. **In accordance with the PACTE Act and with the Order of 3 July 2019, the rights of this defined-benefit pension scheme were frozen as of 31 December 2019. No additional rights will be granted for periods of employment after 1 January 2020, and the benefit of these past rights remains uncertain and subject to continued employment at retirement.** The reference compensation, vesting rate and other characteristics of these schemes can be found on pages 192 and 193 of the Universal Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

Elements of compensation paid in 2019

In addition to his fixed compensation, Philippe Brassac received the following variable compensation:

Variable compensation paid in 2019 awarded for 2018

In accordance with the amounts approved by the General Meeting of 21 May 2019, Philippe Brassac received €462,320 in non-deferred variable compensation in 2019 for 2018.

Deferred variable compensations vested and paid in 2019

In view of the performance recorded in respect of the three criteria set out on page 197, the final percentage vested in 2019 for deferred variable compensation was established at 100% for the variable compensation instalments awarded in 2016, 2017 and 2018.

Therefore, €442,468 was paid to Philippe Brassac in 2019. This amount represents:

- the first year of payment of the deferred variable compensation awarded in 2018 for 2017 in the amount of €150,019;
- the second year of payment of the deferred variable compensation awarded in 2017 for 2016 in the amount of €169,489;
- the third year of payment of the deferred variable compensation awarded in 2016 for 2015 in the amount of €122,960;

These payments result from the application of the compensation policies approved by the General Meetings of 2015, 2016 and 2017 and the amounts of variable compensation granted approved by the General Meetings of 2016, 2017 and 2018.

Commitments of any kind made by the Company and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments

	Amount	Presentation
Severance payment	No payment made for 2019	Philippe Brassac will receive a severance payment if Crédit Agricole S.A. terminates his office under the conditions approved by the Board of Directors at its meeting on 19 May 2015 and ratified by the General Meeting of 19 May 2016. Details of these payments can be found on page 193 of the Universal Registration Document.
Non-competition compensation	No payment made for 2019	In the event of termination of his position as Chief Executive Officer, on any grounds whatsoever, Philippe Brassac may be bound by a non-competition clause for a period of one year from the date of termination, as approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting of 19 May 2016. Details of these payments can be found on page 194 of the Universal Registration Document.

Elements of compensation paid in or awarded for financial year 2019 to Xavier Musca, Deputy Chief Executive Officer, subject to approval by shareholders

Elements of compensation paid or awarded for financial year 2019

	Amount	Presentation
FIXED COMPENSATION	€700,000	Xavier Musca received annual fixed compensation of €700,000 in 2019. This compensation remains unchanged since May 2015.
ANNUAL VARIABLE COMPENSATION **Non-deferred variable compensation**	€189,510	At its meeting of 13 February 2020, the Board of Directors, on the recommendation of the Compensation Committee, set the amount of the variable compensation of Xavier Musca for 2019, subject to its approval by the General Meeting of 13 May 2020. In view of the achievement of financial and non-financial objectives decided by the Board at its meeting of 13 February 2019 and approved by the General Meeting of 21 May 2019, the amount of variable compensation has been determined on the following basis: ▪ achievement level of financial objectives: 107.6%; ▪ achievement level of non-financial objectives: 118%. Details of the achievement of these objectives can be found on page 196 of the Universal Registration Document. Variable compensation earned by Xavier Musca for financial year 2019 was set at €631,700, reflecting a target achievement rate of 112.8%. This is equivalent to 90.2% of his fixed reference compensation. As a reminder, the annual variable compensation is capped at 120% of the reference fixed compensation, with a target of 80%. 30% of the variable compensation, namely €189,510, will be paid in May 2020, subject to approval by the General Meeting of 13 May 2020.
Variable compensation linked to the Crédit Agricole S.A. share price	€63,170	10% of the variable compensation, namely €63,170, is linked to the Crédit Agricole S.A. share price and will be paid in September 2020 subject to approval by the General Meeting of 13 May 2020.
Deferred and conditional variable compensation	€379,020	60% of the variable compensation, or €379,020 at the grant date, subject to the approval of the General Meeting of 13 May 2020, are awarded in Crédit Agricole S.A. share-linked instruments. Their final vesting is deferred progressively over three years, subject to achieving three performance objectives and to a clawback clause. Details of vesting conditions of the deferred variable compensation can be found on pages 190 and 191 of the Universal Registration Document.
LONG-TERM VARIABLE COMPENSATION	No award for 2019	Xavier Musca was not awarded any stock options or performance shares or any other long-term compensation for 2019.

	Amount	Presentation
EXCEPTIONAL COMPENSATION	No payment for 2019	Xavier Musca received no exceptional compensation for 2019.
COMPENSATION FOR DIRECTOR'S TERM OF OFFICE	No payment for 2019	Xavier Musca has waived the right to receive compensation for his duties as a Director of Group companies for the entire duration of his term of office.
BENEFITS OF ANY KIND	No benefits in kind	Xavier Musca did not receive any benefits in kind.
SUPPLEMENTARY PENSION SCHEME	No payment for 2019	No supplementary pension amount is payable to Xavier Musca for financial year 2019. In accordance with the provisions of Article L. 225-37-3-3 of the French Commercial Code, Xavier Musca's annual and contingent individual supplementary pension entitlements as at 31 December 2019 include: ■ a life annuity under a defined-contribution supplementary pension scheme, for an estimated gross amount of €4,000; ■ a life annuity under a defined-benefit supplementary pension scheme, for an estimated gross amount of €96,000. The uncertain entitlements under the defined-benefit supplementary pension scheme are estimated on the basis of 7.5 years of service recognised on 31 December 2019, corresponding to 8.6% of the reference compensation at that date, *i.e.* a 1.2% increase in contingent rights compared with 2018. This change meets the requirements of Article L. 225-42-1 of the French Commercial Code (repealed by Order No. 2019-1234 of 27 November 2019) limiting the annual increase in contingent rights to 3%. The published estimated amounts are the gross amounts before taxes and social security charges applicable at the reporting period end date, particularly income tax payable by individuals and supplementary contributions of 7% and 14%, payable by the beneficiary, which are deducted from the life annuities payable under the defined-benefit supplementary pension scheme. **In accordance with the PACTE Act and with the Order of 3 July 2019, the rights of this defined-benefit pension scheme were consolidated as of 31 December 2019. No additional rights will be granted for periods of employment after 1 January 2020, and the benefit of these past rights remains uncertain and subject to continued employment.** The reference compensation, vesting rate and other characteristics of these schemes can be found on pages 192 and 193 of the Universal Registration Document.

Elements of compensation paid in 2019

In addition to his fixed compensation, Xavier Musca received the following variable compensation:

Variable compensation paid in 2019 for 2018

In accordance with the amounts approved by the General Meeting of 21 May 2019, Xavier Musca received €244,400 in non-deferred variable compensation in 2019 for 2018.

Deferred variable compensations vested and paid in 2019

In view of the performance recorded in respect of the three criteria set out on page 197, the final percentage vested in 2019 for deferred variable compensation was established at 100% for the variable compensation instalments awarded in 2016, 2017 and 2018.

Therefore, €301,818 was paid to Xavier Musca in 2019. This amount represents:

- the first year of payment of the deferred variable compensation awarded in 2018 for 2017 in the amount of €89,525;
- the second year of payment of the deferred variable compensation awarded in 2017 for 2016 in the amount of €101,841;
- the third year of payment of the deferred variable compensation awarded in 2016 for 2015 in the amount of €110,452;

These payments result from the application of the compensation policies approved by the General Meetings of 2015, 2016 and 2017 and the amounts of variable compensation granted approved by the General Meetings of 2016, 2017 and 2018.

Commitments of any kind made by the Company and that were voted on by the General Meeting as part of the procedure governing related party agreements and commitments

	Amount	Presentation
Severance payment	No payment for 2019	Xavier Musca will receive severance payment if Crédit Agricole S.A. terminates his employment contract under the conditions approved by the Board of Directors at its meeting on 19 May 2015 and ratified by the General Meeting of 19 May 2016. Details of these payments can be found on page 193 of the Universal Registration Document.
Non-competition compensation	No payment for 2019	In the event of termination of his office as Deputy Chief Executive Officer, on any grounds whatsoever, Xavier Musca may be bound by a non-competition clause for a period of one year from the date of termination, as approved by the Board at its meeting on 19 May 2015 and ratified by the General Meeting 19 May 2016. Details of these payments can be found on page 194 of the Universal Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

Non-executive Corporate Officers or Directors

Elements of compensation paid in financial year 2019 or awarded for financial year 2019 to each non-executive Corporate Officer of the Company, subject to financial year approval by shareholders

Under the principles detailed on page 194, non-executive Corporate Officers received the following amounts in 2019:

	2018	Net amount received in 2019(1)					
Directors	Net amount received from Crédit Agricole S.A. in 2018(1)	Crédit Agricole S.A.*	CACIB	LCL	Amundi	Total + other Group subsidiaries	Grand total 2019
DIRECTORS ELECTED BY THE GENERAL MEETING OF SHAREHOLDERS							
Dominique Lefebvre(2)	0	0	-	-		0	0
Raphaël Appert	45,011	43,121				0	43,121
Pascale Berger(3)(4)	33,120	29,808	-	-		0	29,808
Philippe Boujut	28,000	28,000	-	-		0	28,000
Caroline Catoire	50,681	56,350	-	-		0	56,350
Laurence Dors	64,681	72,241	-	-		0	72,241
Daniel Epron	46,900	45,011	-	-		20,244	65,255
Véronique Flachaire	45,081	53,550	-	-		0	53,550
Jean-Pierre Gaillard	50,681	58,241	-	15,400		15,400	73,641
Françoise Gri	94,850	94,850	28,770	-		28,770	123,620
Jean-Paul Kerrien	37,450	39,341	-			20,900	60,241
Monica Mondardini(5)	52,320	45,344	-	-		0	45,344
Gérard Ouvrier-Buffet	43,121	46,900	-	-		26,655	73,555
Catherine Pourre(5)	79,526	76,038	38,978			38,978	115,016
Christian Streiff	60,131	57,331	-	-		0	57,331
Renée Talamona(2)	0	0			0	0	0
Louis Tercinier	33,671	37,450				0	37,450
François Thibault	54,461	54,461	26,670	-		26,670	81,131
DIRECTORS ELECTED BY THE STAFF							
François Heyman(3)(4)	44,298	43,222	-	-	-	0	43,222
Simone Védie(3)(4)	13,248	33,120				0	33,120
DIRECTOR REPRESENTING THE PROFESSIONAL AGRICULTURAL ORGANISATIONS							
Christiane Lambert	19,600	8,400				0	8,400
NON-VOTING DIRECTORS							
Pierre Cambefort	8,400	28,000				0	28,000
Philippe de Waal	16,800	28,000	-	-		0	28,000
	922,031	**978,779**	**94,418**	**15,400**	**0**	**177,617**	**1,156,396**

(1) After the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.8%) and social contributions (17.2%).

(2) Do not receive any compensation.

(3) The three Directors representing employees on the Board do not receive their compensation; instead these are paid to their unions.

(4) After deductions of social contributions (17.2%).

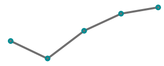
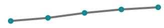
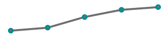
(5) 12.8% withholding tax (non-resident in France).

** Total gross amount consumed: €1,340,600 out of €1.65 million allocated.*

Comparative approach to compensation

Pursuant to Order No. 2019-1234 of 27 November 2019 relating to the compensation of Corporate Officers of listed companies, Crédit Agricole S.A. publishes the comparative change in total compensation due or awarded to Executive Corporate Officers with the average total compensation of employees in France and the Group's performance (measured by the underlying Net income Group share), over five years. This comparison highlights the consistency of Crédit Agricole S.A.'s reward policy and its alignment with the Group's performance.

Note that 2015 was a year of profound changes in the Group's governance (appointment of a new Chairman of the Board, appointment of a new Chief Executive Officer and tightening of Executive Management around a Chief Executive Officer and a single Deputy Chief Executive Officer). The compensation awarded to Executive Corporate Officers for 2015 as presented below is therefore considered on a full-year basis. Also note that the Chairman does not receive variable compensation and his compensation is therefore not indexed to Group performance.

Indicators	2015	2016	2017	2018	2019	Variation 2015-2019	Change
Underlying net income Group share *(in billions of euros)*	3,516	3,190	3,925	4,405	4,582	30%	
Average employee compensation France	€59,595	€60,914	€63,064	€64,595	€65,528	10%	
Median employee compensation France	€45,984	€46,410	€47,943	€48,985	€49,373	7%	
Total compensation Chief Executive Officer	€1,906,540	€1,964,258	€2,020,744	€2,214,767	€2,357,300	24%	
Total compensation Deputy Chief Executive Officer	€1,235,409	€1,292,100	€1,321,700	€1,311,000	€1,331,700	8%	
Total compensation Chairman	€560,000	€560,000	€560,000	€560,000	€560,000	0%	

Equity ratio between the level of compensation of each Executive Director and the average and median compensation of the Company's employees

In accordance with the AFEP/MEDEF guidelines on compensation multiples, Crédit Agricole S.A. has chosen to calculate the ratios shown below for France, the legal perimeter of Crédit Agricole S.A. social entity being deemed not sufficiently representative. These ratios thus compare the total compensation due or awarded to each Executive Corporate Officer in respect of each financial year with that of the employees of Crédit Agricole S.A. in France.

	2015	2016	2017	2018	2019
Chairman of the Board of Directors					
Ratio to average employee compensation in France	9	9	9	9	9
Ratio to median employee compensation in France	12	12	12	11	11
Chief Executive Officer					
Ratio to average employee compensation in France	32	32	32	34	36
Ratio to median employee compensation in France	41	42	42	45	48
Deputy Chief Executive Officer					
Ratio to average employee compensation in France	21	21	21	20	20
Ratio to median employee compensation in France	27	28	28	27	27

4.3.4. Summary tables in line with AFEP/MEDEF recommendations

Dominique Lefebvre, Chairman of the Board of Directors

Table 1 – Compensation, shares and stock options awarded to Executive Corporate Officers of Crédit Agricole S.A.

Gross amount *(in euros)*	2018	2019
Compensation awarded for the financial year[(1)]	560,000	560,000
Value of options awarded during the financial year[(2)]	-	-
Value of performance shares awarded during the financial year[(2)]	-	-

(1) The compensation shown in this table represents amounts awarded for the year indicated. The itemised tables below show compensation awarded for a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2019. No performance share plan was put in place at Crédit Agricole S.A.

Refer to the glossary page 647 for the definition of the technical terms.

Table 2 – Summary of gross compensation

	2018		2019	
(in euros)	Amount awarded for 2018	Amount paid in 2018	Amount awarded for 2019	Amount paid in 2019
Fixed compensation	520,000	520,000	520,000	520,000
Non-deferred variable compensation paid in cash	-	-	-	-
Non-deferred variable compensation linked to the Crédit Agricole S.A. share price	-	-	-	-
Deferred and conditional variable compensation	-	-	-	-
Exceptional compensation	-	-	-	-
Compensation for Director's term of office[1]	-	-	-	-
Benefits of any kind	40,000	40,000	40,000	40,000
TOTAL	**560,000**	**560,000**	**560,000**	**560,000**

(1) Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.8%) and social contributions (17.2%).

Philippe Brassac, Chief Executive Officer

Table 1 – Compensation, shares and stock options awarded to Executive Corporate Officers of Crédit Agricole S.A.

Gross amount *(in euros)*	2018	2019
Compensation awarded for the financial year[1]	2,214,767	2,357,300
Value of options awarded during the financial year[2]	-	-
Value of performance shares awarded during the financial year[2]	-	-

(1) The compensation shown in this table represents amounts awarded for the year indicated. The itemised tables below show compensation awarded for a given year and compensation received during that year.

(2) No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2019. No performance share plan was put in place at Crédit Agricole S.A.

Table 2 – Summary of gross compensation

	2018		2019	
(in euros)	Amount awarded for 2018	Amount paid in 2018	Amount awarded for 2019	Amount paid in 2019
Fixed compensation	1,025,269	1,025,269	1,100,000	1,100,000
Non-deferred variable compensation paid in cash	346,740	312,540	377,190[3]	346,740
Non-deferred variable compensation linked to the Crédit Agricole S.A. share price	115,580	88,553	125,730[3]	115,580
Deferred and conditional variable compensation[1]	693,480	340,920	754,380[3]	442,468
Exceptional compensation	-	-	-	-
Compensation for Director's term of office[2]	-	-	-	-
Benefits of any kind	33,698	33,698	-	-
TOTAL	**2,214,767**	**1,800,980**	**2,357,300**	**2,004,788**

(1) The amounts paid correspond to the amounts vested, detailed in Table 2A and indexed to changes in the share price as stated in Notes 1, 2, 3 and 4 of the same table.

(2) Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.8%) and social contributions (17.2%).

(3) Amounts set by the Board of Directors of Crédit Agricole S.A. subject to the approval of the General Meeting of 13 May 2020.

Table 2A – Details of deferred variable compensation

		2017		2018		2019	
	Total amount awarded(1)	Amount awarded(1)	Amount vested(2)	Amount awarded(1)	Amount vested(3)	Amount awarded(1)	Amount vested(4)
Plan awarded in 2016	348,000	116,000	116,000	116,000	116,000	116,000	116,000
Plan awarded in 2017	591,240	-	-	197,080	197,080	197,080	197,080
Plan awarded in 2018	625,080	-	-	-	-	208,360	208,360

(1) *The share value at the grant date was €9.67 for the 2016 plan, €11.94 for the 2017 plan and €14.19 for the 2018 plan.*

(2) *The share value at the payment date was €15.01 for the 2016 plan.*

(3) *The share value at the payment date was €11.97 for the 2016 and 2017 plans.*

(4) *The share value at the payment date was €10.22 for the 2016 and 2017 plans and €10.21 for the 2018 plan.*

Deferred variable compensation vested in 2019 (Table 2A above)

Philippe Brassac received €521,440 in deferred variable compensation for previous years. At the payment date this was equivalent to €442,468 after indexation to the Crédit Agricole S.A. share price. This amount represents:

- the first year of payment of deferred variable compensation awarded in 2018 for 2017, instalment for which €208,360 were awarded, with a share price on the grant date of €14.19;
- the second year of payment of deferred variable compensation awarded in 2017 for 2016, instalment for which €197,080 were awarded, at a share price on the grant date of €11.94;
- the third year of payment of deferred variable compensation awarded in 2016 for 2015, instalment for which €116,000 were awarded, at a share price on the grant date of €9.67.

Xavier Musca, Deputy Chief Executive Officer

Table 1 – Compensation, shares and stock options awarded to Executive Corporate Officers of Crédit Agricole S.A.

Gross amount *(in euros)*	2018	2019
Compensation awarded for the financial year(1)	1,311,000	1,331,700
Value of options awarded during the financial year(2)	-	-
Value of performance shares awarded during the financial year(2)	-	-

(1) *The compensation shown in this table represents amounts awarded for the year indicated. The itemised tables below show compensation awarded for a given year and compensation received during that year.*

(2) *No Crédit Agricole S.A. stock options were awarded to Corporate Officers in 2019. No performance share plan was put in place at Crédit Agricole S.A.*

Table 2 – Summary of gross compensation

	2018		2019	
(in euros)	Amount awarded for 2018	Amount paid in 2018	Amount awarded for 2019	Amount paid in 2019
Fixed compensation	700,000	700,000	700,000	700,000
Non-deferred variable compensation paid in cash	183,300	186,510	189,510(3)	183,300
Non-deferred variable compensation linked to the Crédit Agricole S.A. share price	61,100	52,845	63,170(3)	61,100
Deferred and conditional variable compensation(1)	366,600	323,525	379,020(3)	301,818
Exceptional compensation	-	-	-	-
Compensation for Director's term of office(2)	-	-	-	-
Benefits in kind	-	-	-	-
TOTAL	**1,311,000**	**1,262,880**	**1,331,700**	**1,246,218**

(1) *The amounts paid correspond to the amounts vested, detailed in Table 2A and indexed to changes in the share price as stated in Notes 1, 2, 3 and 4 of the same table.*

(2) *Net amounts, after the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.8%) and social contributions (17.2%).*

(3) *Amounts set by the Board of Directors of Crédit Agricole S.A. subject to the approval of the General Meeting of 13 May 2020.*

Refer to the glossary page 647 for the definition of the technical terms.

Table 2A – Details of deferred variable compensation

		2017		2018		2019	
	Total amount awarded(1)	Amount awarded(1)	Amount vested(2)	Amount awarded(1)	Amount vested(3)	Amount awarded(1)	Amount vested(4)
Plan awarded in 2016	312,600	104,200	104,200	104,200	104,200	104,200	104,200
Plan awarded in 2017	355,260	-	-	118,420	118,420	118,420	118,420
Plan awarded in 2018	373,020	-	-	-	-	124,340	124,340

(1) *The share value at the grant date was €9.67 for the 2016 plan, €11.94 for the 2017 plan and €14.19 for the 2018 plan.*

(2) *The share value at the payment date was €15.01 for the 2016 plan.*

(3) *The share value at the payment date was €11.97 for the 2016 and 2017 plans.*

(4) *The share value at the payment date was €10.22 for the 2016 and 2017 plans and €10.21 for the 2018 plan.*

Deferred variable compensation vested in 2019 (Table 2A above)

Xavier Musca received €346,960 in deferred variable compensation for previous years. At the payment date this was equivalent to €301,818 after indexation to the Crédit Agricole S.A. share price. This amount represents:

- the first year of payment of deferred variable compensation awarded in 2018 for 2017, instalment for which €124,340 were awarded, with a share price on the grant date of €14.19;
- the second year of payment of deferred variable compensation awarded in 2017 for 2016, instalment for which €118,420 were awarded, at a share price on the grant date of €11.94;
- the third year of payment of deferred variable compensation awarded in 2016 for 2015, instalment for which €104,200 were awarded, at a share price on the grant date of €9.67.

Table 3 – Compensation received by Directors for their office as Directors of Crédit Agricole S.A.

See p. 201.

Table 4 – Stock options granted to Executive Corporate Officers in 2019 by Crédit Agricole S.A. and other Group companies

No stock options were awarded to Executive Corporate Officers in 2019.

Table 5 – Stock options exercised by Executive Corporate Officers in 2019

No Crédit Agricole S.A. stock options were exercised by Executive Corporate Officers in 2019.

Table 6 – Performance shares awarded to Executive Corporate Officers in 2019

Crédit Agricole S.A. did not offer a performance share plan.

Table 7 – Performance shares made available over 2019 to Executive Corporate Officers

Not applicable. Crédit Agricole S.A. did not offer a performance share plan in 2019.

Table 8 – History of stock option awards

Not applicable.

Table 9 – History of performance share awards

Not applicable.

Table 10 – Summary of multi-annual variable compensation of each Executive Corporate Officer

Not applicable.

Table 11 – Employment contract/Supplementary pension scheme/Severance payment/Non-competition clause

Executive Corporate Officers	Employment contract(1)	Supplementary pension scheme	Allowances and benefits due or likely due to termination or to change of functions	Allowances under a non-competition clause
Dominique Lefebvre Chairman Term of office commenced: 04/11/2015	No	No	No	No
Philippe Brassac Chief Executive Officer Term of office commenced: 20/05/2015	Yes	Yes	Yes	Yes
Xavier Musca Deputy Chief Executive Officer Term of office commenced: 19/07/2012	Yes	Yes	Yes	Yes

(1) *The AFEP/MEDEF recommendation against holding a corporate office while being covered by an employment contract applies to the Chairman of the Board of Directors, the Chairman and Chief Executive Officer and the Chief Executive Officer. The employment contract of Xavier Musca, Deputy Chief Executive Officer, was, however, suspended by supplemental agreement. It will take effect again at the end of his corporate office, at the updated compensation and role conditions applicable prior to his term of office.*

4.4 APPENDIX

Definition and characteristics of the compensation of identified staff

	Credit institutions and investment companies[1]		Asset management companies	Insurance companies
Reference regulatory corpus	Decree of 3 November 2014 on internal control of credit institutions and investment companies. Delegated Act of the European Commission No. 604/2014.		AMF position 2013-11 under AIFM European Directive 2011/6 of 8 June 2011 and AMF Decree of 6 April 2016 under UCITS V Directive 2014/91/EU.	Delegated Act 2015/35 of 10 October 2014. Insurance and reinsurance companies are excluded from the scope of European Commission Delegated Regulation (EU) No. 604/2014.
Identified staff by virtue of their role	**Within Crédit Agricole S.A.**	**Within other entities**		
	▪ Corporate Officers; ▪ members of the Board of Directors; ▪ members of the Executive Committee; ▪ Heads of Central Support functions responsible for finance, legal affairs, taxation, human resources, compensation policy, information technology, financial control and economic analysis; ▪ Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit; ▪ employees reporting directly to the Head of Risk Management and Permanent Controls, Compliance and Audit; ▪ employees heading a Committee responsible for managing operational risk for the Group.	▪ Corporate Officers or Chief Executive Officers; ▪ members of the Executive Committee or employees reporting directly to Chief Executive Officers; ▪ Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit; ▪ employees who chair the "new activities/new products" committees of these entities.	▪ executive managers; ▪ investment managers; ▪ decision-making managers; ▪ Heads of the three control functions: Risk Management and Permanent Controls, Compliance and Audit; ▪ Heads of the support functions: Legal, Finance, Administration and Human Resources.	▪ Corporate Officers or executive managers; ▪ members of the Executive Committee of CA Assurances; ▪ employees performing the key functions referred to in Articles 269 to 272 of Delegated Act 2015/35: Risk management, Compliance audit, Internal audit, Actuarial function; ▪ employees responsible for underwriting and business development; ▪ investment managers.
Identified staff by virtue of their level of authority or compensation	▪ Employees with authority or powers to take credit risk of more than 0.5% of Common Equity Tier 1 (CET1) capital in the subsidiary to which they belong and of at least €5 million, or with authority or powers to structure this type of product with a significant impact on the risk profile of the subsidiary to which they belong; ▪ employees who can take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong; ▪ the hierarchical managers of employees who are not individually identified but who are collectively authorised to take credit risks of more than 0.5% of CET1 capital in the subsidiary to which they belong and at least €5 million, or to take market risks of more than 0.5% of the CET1 capital or 5% of the Value at Risk (VaR) of the subsidiary to which they belong; ▪ employees who have earned total gross compensation of more than €500,000 in the previous financial year; ▪ employees who are not identified under any of the previous criteria but whose total compensation puts them in the 0.3% top earners in the entity in the previous year (for entities with a balance sheet of more than €10 billion or with equity of more than 2% of their parent company's equity).		**Additional condition**: Those who earn variable compensation of more than €100,000.	

Refer to the glossary page 647 for the definition of the technical terms.

<table>
<tr><th></th><th>Credit institutions and investment companies[1]</th><th>Asset management companies</th><th>Insurance companies</th></tr>
<tr><td>Characteristics of deferred compensation</td><td>In view of the proportionality principle, employees whose bonus or variable compensation is less than €120,000 are excluded from the scope of application of rules on deferred compensation in all Group entities, unless otherwise stipulated by the regulatory authorities in the countries in which the Group's subsidiaries are located.
The deferred portion is determined based on the overall variable compensation awarded for the financial year.
<table>
<tr><th>Total variable compensation for year Y</th><th>Deferred portion</th></tr>
<tr><td><€120,000</td><td>Not applicable</td></tr>
<tr><td>€120,000 - €400,000</td><td>40% from the first euro</td></tr>
<tr><td>€400,000 - €600,000</td><td>50% from the first euro with minimum non-deferred amount of €240,000</td></tr>
<tr><td>>€600,000</td><td>60% from the first euro with minimum non-deferred amount of €300,000</td></tr>
</table>
Payment in securities or equivalent instruments
The deferred variable compensation and a percentage of the non-deferred portion carried for six months are granted in the form of Crédit Agricole S.A. shares or share-linked instruments. As a result, at least 50% of variable compensation for identified staff is awarded in shares or equivalent instruments.
Any hedging or insurance strategies limiting the scope of alignment provisions on risks contained in the compensation scheme are prohibited.
Performance conditions
The deferred portion is vested in thirds: for an award in year Y, one third in year Y+1, one third in year Y+2 and one third in year Y+3, provided the vesting criteria are met. Each vesting date is followed by a six-month retention period.
The performance conditions for executive managers and identified staff are aligned with those for long-term variable compensation as indicated in the "Long-Term Variable Compensation" paragraph of Chapter 3, section 4.2.2, "Elements of reward of executive managers".
The performance conditions for the other identified employees are calculated in relation to the net income Group share of the entity, determined during the year of allocation of the variable compensation in question.</td><td>
<table>
<tr><th>Total variable compensation for year Y</th><th>Deferred portion</th></tr>
<tr><td><€100,000</td><td>Not applicable</td></tr>
<tr><td>€100,000 - €600,000</td><td>50% from the first euro</td></tr>
<tr><td>>€600,000</td><td>60% from the first euro with minimum non-deferred amount of €300,000</td></tr>
</table></td><td>The characteristics of deferred compensation are the same as those of credit institutions and investment firms except for the vesting in the form of Crédit Agricole S.A. shares or equity-linked instruments of part of the non-deferred variable compensation, as well as the application of a retention period at the end of the vesting period, which is not required.</td></tr>
</table>

(1) The credit institutions and investment firms concerned are those falling within the scope of the Decree of 3 November 2014 on the internal control of credit institutions and investment companies. For the Group, these are Crédit Agricole S.A. as well as all entities with a balance sheet of more than €10 billion or with equity of more than 2% of their parent company's equity.

5. RULES OF PROCEDURE OF THE BOARD OF DIRECTORS

RULES OF PROCEDURE OF THE BOARD OF DIRECTORS (UPDATED AS OF DECEMBER 2018)

At its meeting of 18 décembre 2018, the Board of Directors of Crédit Agricole S.A. adopted, on the recommendation of its Chairman and of the Appointments and Governance Committee, the update to its Rules of Procedure setting out the operating principles of the Board of Directors and Executive Management of the Company, taking into account the amendments of the AFEP/MEDEF Corporate Governance Code for listed companies published in June 2018.

Article 1: Organisation of the Board of Directors.

Article 2: Powers of the Board of Directors and of the Chief Executive Officer.

Article 3: Functioning of the Board of Directors.

Article 4: Board Committees.

Article 5: Crédit Agricole S.A. Directors' Code of Conduct.

Crédit Agricole S.A. is a company with a Board of Directors that dissociates the roles of Chairman and Chief Executive Officer, in accordance with Group practice and current regulations, which separate the guidance, decision-making and control functions from the executive functions.

Pursuant to the provisions of the French Commercial Code *(Code de commerce)*, the Chairman of the Board of Directors and Chief Executive Officer of Crédit Agricole S.A. are Corporate Officers.

Under the provisions of the French Monetary and Financial Code, the Board of Directors must ensure that Crédit Agricole S.A. has a sound governance system comprising in particular a clear organisation resulting in responsibilities being shared in a well-defined, transparent and coherent manner, effective procedures for identifying, managing, monitoring and reporting risks to which the Company is or may be exposed, an adequate internal control system, sound administrative and accounting procedures, compensation policies and practices enabling and facilitating sound and effective risk management.

It should also be recalled that the Chief Executive Officer and the Deputy Chief Executive Officer of Crédit Agricole S.A. exercise the Company's Executive Management.

Article 1: Organisation of the Board of Directors

1.1. Chairman of the Board of Directors

The Chairman of the Board of Directors guides and organises the Board's work. He is responsible for its proper operation as well as that of its Committees.

To this end he ensures that the information provided to the Directors enables them to make reasoned decisions; to this effect, he contributes to the smooth flow of information between the Board and the Executive Management, and between the Board and its Committees.

He encourages and promotes open discussions and ensures that all viewpoints can be expressed within the Board.

He calls Board Meetings and sets the agenda.

1.2. Officers of the Board of Directors

The Board of Directors appoints the Chairman and Deputy Chairmen as Officers of the Board. The Chief Executive Officer of Crédit Agricole S.A. takes part in the work of the Officers of the Board.

The Officers of the Board are responsible for preparing the Board's work. They meet upon the Chairman's initiative, as needed.

The Chairman may invite any person whose opinion he would like to canvass to assist the Officers of the Board in their work.

The Secretary to the Board of Directors acts as secretary to the Officers of the Board.

1.3. Board Committees

The Board of Directors has established six Specialised Committees tasked with preparing Board Meetings and/or providing it with their opinions and recommendations. These include:

- the Risks Committee;
- the Audit Committee;
- the US Risks Committee;
- the Compensation Committee;
- the Strategy and CSR (Corporate Social Responsibility) Committee; and
- the Appointments and Governance Committee.

The Board of Directors draws up the Rules of Procedure for these Specialised Committees and determines their duties and composition in line with applicable regulations and legislation.

The remit of these Committees is defined in Article 4 below.

The Chairman or the Board of Directors may seek the opinion of a Committee on any matter within its competence.

The Board of Directors, on the recommendation of the Chairman, may appoint one or more non-voting Directors, who may attend Specialised Committee meetings in the same manner as Directors.

The Rules of Procedure of each Committee are appended to these Board's Rules of Procedures.

Article 2: Powers of the Board of Directors and of the Chief Executive Officer

2.1. Powers of the Board of Directors

The Board of Directors exercises the powers granted to it by law and under the Company's Articles of Association. To this effect, in particular:

- the Board approves the annual parent company financial statements (balance sheet, income statement, notes), the management report detailing the Company's position for the financial year just ended or the current financial year, and its outlook, along with forecasts; it approves the consolidated financial statements of Crédit Agricole S.A. Group and receives the interim financial statements;
- the Board approves the consolidated financial statements of Crédit Agricole Group;
- the Board decides to call the Company's General Meetings, sets the agenda and prepares the draft resolutions;
- the Board:
  - elects and dismisses the Chairman of the Board of Directors,
  - on the recommendation of the Chairman, appoints and dismisses the Chief Executive Officer,
  - temporarily fills one or more Director positions in the event of a vacancy due to death or resignation,
  - on the recommendation of the Chief Executive Officer, appoints and dismisses the Deputy Chief Executive Officer(s);

Refer to the glossary page 647 for the definition of the technical terms.

- the Board decides on the compensation of Corporate Officers and the allocation of Directors' fees;
- the Board must first authorise any agreement that falls under Articles L. 225-38 *et seq.* of the French Commercial Code and, in particular, any agreement between the Company and any of its Corporate Officers;
- the Board submits the Report on corporate governance, annexed to the management report to the General Meeting; in this report, in addition to the information on Corporate Officers compensation and on the agreements signed between Corporate Officers and the Company, the Board provides information on its composition, organisation, operations, work performed during the financial year ended and a description of the diversity policy applicable to the members of the Board of Directors and to Company Executives.

The Board also:

- determines the Group's strategic orientations, on the recommendation of the Chairman and Chief Executive Officer;
- gives prior approval to strategic investment projects and any transaction, specifically any acquisition or disposal transaction, that is likely to have a material effect on the Group's earnings, the structure of its balance sheet or its risk profile;
- defines the general principles applicable to Crédit Agricole Group's internal financial organisation;
- decides or authorises the issuance of Crédit Agricole S.A. bonds;
- grants the Chief Executive Officer the necessary powers to implement the decisions set out above;
- approves and regularly reviews the risk appetite framework, strategies and policies governing the taking on, management, monitoring and reduction of the risks to which Crédit Agricole S.A. and the Group are or may be exposed, including social and environmental risks;
- notably approves the various commitment and risk limits for Crédit Agricole S.A. Group and, where applicable, for Crédit Agricole Group;
- issues an opinion, after having obtained the opinions of the Risks Committee and Appointments and Governance Committee, on the Chief Executive Officer's appointment proposals for each Head of the Group's internal control functions, *i.e.* the Head of Risk Management, the Head of Periodic Control, and the Compliance Officer; where necessary, the Board issues an opinion, under the same conditions, on the dismissal of the above-mentioned Heads of functions, who cannot be removed from their positions without the prior approval of the Board;
- determines and regularly reviews the general principles of the compensation policy of Crédit Agricole S.A. Group, in particular regarding employee categories whose activities have a significant impact on the Group's risk profile;
- reviews the governance system, periodically evaluates its effectiveness and ensures that corrective steps have been taken to remedy any identified deficiencies;
- determines the strategy and checks implementation by Executive Management (the Chief Executive Officer and the Deputy Chief Executive Officer(s)) of the monitoring systems to ensure effective and prudent management of the activities of Crédit Agricole S.A. and in particular the segregation of duties within the organisation and the prevention of conflicts of interest;
- ensures that a Code of Conduct or similar and effective policies have been set up and implemented to identify, manage and mitigate conflicts of interest and prevent corruption and influence peddling;
- ensures that Executive Corporate Officers have implemented an anti-discrimination and diversity policy, particularly in terms of balanced representation of men and women within decision-making bodies;
- defines the criteria used to assess the independence of Directors;
- is notified in advance by Executive Management of changes in the Group's organisation and management structures;
- conducts any inspections or audits that it deems necessary.

With respect to the role of corporate centre assigned to Crédit Agricole S.A. by the French Monetary and Financial Code:

- the Board authorises:
  - any foreign expansion of the Regional Banks,
  - any creation, by a Regional Bank, of a financial institution or insurance company, as well as the acquisition of any interest in any such company,
  - any financial support for any Regional Bank in difficulty,
  - the establishment of a Committee responsible for the interim management of a Regional Bank;
- the Board decides to:
  - give Crédit Agricole S.A.'s approval for the appointment of Chief Executive Officers of the Crédit Agricole Mutuel Regional Banks.

The Chief Executive Officer also asks the Board for its prior opinion regarding any decision by the former to dismiss a Chief Executive Officer of a Regional Bank.

2.2. Powers of the Chief Executive Officer

The Chief Executive Officer has the fullest powers to act in the name of the Company in all circumstances and to represent it with respect to third parties.

He must, however, secure the Board of Directors' approval prior to the following transactions:

- the creation, acquisition or disposal of any subsidiaries and equity investments in France or abroad for total amounts exceeding €150 million;
- any other investment of any kind for amounts exceeding €150 million.

If, due to the urgency of the situation, the Board cannot be called to deliberate on a transaction that exceeds this ceiling, the Chief Executive Officer will do all in his power to canvass all Directors or, at the very least, the Officers of the Board and the members of the relevant Specialised Committee prior to making any decision. Where this is not possible, the Chief Executive Officer may, with the Chairman's approval, make any decisions that are in the Company's interest in the areas set forth above. He reports such decisions to the Board at its subsequent meeting.

Article 3: Functioning of the Board of Directors

3.1. Meetings of the Board of Directors

The Board is convened by its Chairman, or any person authorised for that purpose by the Board of Directors and meets as often as required by the Company's interests and at least six times each year. Should the Chairman be unable to attend, the Board is chaired by the oldest Deputy Chairman, who is thus authorised to convene it.

The Board of Directors may hold its meetings by means of video conferencing or other means of telecommunication, in accordance with the provisions of Article 3.3 below.

Directors with an interest in matters deliberated by the Board shall abstain from voting on such matters.

The Chief Executive Officer, Deputy Chief Executive Officer(s), and the Corporate Secretary participate in Board Meetings but do not have the right to vote.

The Chief Executive Officer appoints representatives of Executive Management to participate in Board Meetings.

The Board of Directors may appoint one or several non-voting Directors who participate in Board Meetings.

3.2. Provision of information to Board members

The Chairman and the Chief Executive Officer are required to supply each Director with all documents and information needed for the Director to fulfil his duties.

Pursuant to the provisions of the French Monetary and Financial Code, the Board of Directors is informed, by Executive Management, of all material risks, risk management policies and any changes made thereto.

The Heads of the Group's Risk Management, Periodic Control, and Group Compliance functions may report directly to the Board of Directors and, where applicable, to the Risks Committee.

Prior to Board Meetings, Directors will receive a file including the agenda items that require an in-depth review ahead of the meeting, provided that confidentiality guidelines allow the communication of such information.

All Board members receive all relevant information on the Company, in particular the press releases issued by the Company.

Board members can also seek information directly from the Chief Executive Officer, the Deputy Chief Executive Officer(s) and the Corporate Secretary of Crédit Agricole S.A., after having informed the Chairman that they plan to do so.

In the course of their work, Board Committees may interview Group employees or experts in areas that fall within the remit of said Committees.

3.3. Participating in Board Meetings by means of video conferencing or other means of telecommunication

Unless the purpose of the Board meeting is to perform the duties set out in Articles L. 232-1 and L. 233-16 of the French Commercial Code (approval of the annual financial statements and the management report for the financial year ended), the Board meeting may, upon decision of the Chairman, be held using videoconferencing or other telecommunication means.

In such case, the video conferencing or other means of telecommunication allow for the identification of the Directors and ensure their full participation. To this end, the methods used shall transmit participants' voices as a minimum and meet the technical requirements to allow continuous and simultaneous transmission of the Board's deliberations.

Directors attending a meeting by means of video conferencing or other means of telecommunication are deemed present for the purpose of calculating the quorum and majority.

The attendance records and the minutes must indicate the names of Directors participating in the meeting by means of video conferencing or other means of telecommunication. The minutes must also record any technical incident that may have affected the proceedings.

3.4. Board of Directors' Procedure Memos

The functioning of the Board of Directors is governed by its Rules of Procedure and by applicable laws and regulations.

The Board of Directors may also issue Procedure Memos describing the way in which it implements and organises its Governance, in accordance with the above-mentioned legal requirements, in particular to comply with the process formalisation requests made by supervisory authorities.

Once approved by the Board of Directors, these Procedure Memos – drawn up on the proposal of the Appointments and Governance Committee – are binding on all members. They may be amended or repealed at any time by the Board of Directors, after consultation of the above-mentioned Committee, in particular if they lose their significance due to changes in regulations.

Article 4: Board Committees

4.1. Strategy and CSR Committee

The Strategy and CSR Committee's key duty is to conduct in-depth reviews of the Group's strategic planning for its various business lines in France and internationally, under the responsibility of the Board of Directors. As such, the Committee reviews plans for strategic investments or acquisitions and formulates an opinion on such plans.

At least once a year, the Committee conducts a review of the corporate, social and environmental responsibility (CSR) actions of Crédit Agricole S.A. Group and Crédit Agricole Group. In this respect, it monitors the preparation of the Integrated Report with a general focus on the non-financial information reported by the Group and a specific focus on that reported by Crédit Agricole S.A.

The Board receives reports on the work and opinions of the Strategy Committee from the Committee Chairman or a Committee member designated by the Chairman.

4.2. Risks Committee

The Risks Committee's duties, under the responsibility of the Board of Directors, in accordance with the provisions of the French Monetary and Financial Code and the Decree of 3 November 2014 are to:

- review the overall strategy and risk appetite of Crédit Agricole S.A. and of Crédit Agricole Group, along with the risk strategies, including social and environmental risks, and to advise the Board of Directors on such matters;
- help the Board of Directors assess the implementation of this strategy by Executive Management and by the Head of the Risk Management function;
- examine, without prejudice to the tasks of the Compensation Committee, whether the incentives built into the compensation policy and practices of Crédit Agricole S.A. Group are consistent with the Group's position with respect to the risks it is exposed to, its capital position, its liquidity position and the probability and the spreading over time of the expected profits.

The Board receives reports on the work and proposals of the Risks Committee from the Committee Chairman or a Committee member designated by the Chairman.

4.3. US Risks Committee

The US Risks Committee's duties, under the responsibility of the Board of Directors and in line with US regulations, are to:

- review the risk management policies pertaining to the activities of Group entities in the United States;
- ensure the implementation of appropriate oversight of management of these risks; and
- submit all decisions on such matters to the Board for approval.

4.4. Audit Committee

The Audit Committee, under the responsibility of the Board of Directors and in line with the provisions of Article L. 823-19 of the French Commercial Code, is responsible for:

- reviewing the parent company and consolidated financial statements of Crédit Agricole S.A. prior to submission to the Board of Directors;
- reviewing documents or reports within its area of expertise that are intended for the Directors;
- monitoring the process for preparing financial information and, where necessary, making recommendations to ensure its integrity;
- monitoring the effectiveness of the internal control, risk management and, where applicable, internal audit systems, with respect to the procedures for preparing and processing accounting and financial information, without impinging on its independence;

Refer to the glossary page 647 for the definition of the technical terms.

- making a recommendation regarding the Statutory Auditors submitted for the approval of the General Meeting of Shareholders. This recommendation, which is made to the Board of Directors, is prepared in accordance with the provisions of Article 16 of Regulation (EU) No. 537/2014; it also makes a recommendation to the Board when one or more Statutory Auditors are being considered for reappointment in the manner provided for in Article L. 823-3-1;
- monitoring the performance of the duties of the Statutory Auditors; it considers the findings and conclusions of the *Haut Conseil du Commissariat aux comptes* (H3C) following audits carried out pursuant to Articles L. 821-9 *et seq.*;
- ensuring the Statutory Auditors satisfy the independence criteria established by the French Commercial Code; where necessary, it agrees, together with the Statutory Auditors, the steps to be taken to safeguard their independence, in accordance with the provisions of the aforementioned EU Regulation;
- approving the provision of the services covered by Article L. 822-11-2 of the French Commercial Code.

The Board receives reports on the work and proposals of the Audit Committee from the Committee Chairman or a Committee member designated by the Chairman.

4.5. Compensation Committee

The Compensation Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to draw up proposals and recommendations to be submitted to the Board relating to:

- the general principles of the compensation policy applicable to all Crédit Agricole S.A. Group entities, and, in particular:
  - the definition of compensation structures, in particular by distinguishing between fixed compensation and variable compensation,
  - the principles for determining total amounts of variable compensation, taking into account the impact of the risks and capital requirements inherent to the business activities concerned,
  - the application of regulatory provisions concerning identified individuals within the meaning of the European regulations.

  In this respect, the Committee in particular:
  - gives an opinion on the compensation policy of the Crédit Agricole S.A. Group, prior to any Board decision,
  - monitors the implementation of this policy, overall and by major business line, by means of an annual review, to ensure regulatory compliance;
- the compensation of Corporate Officers by ensuring compliance with the regulations and legislation applicable to them;
- the total amount of Directors' fees and their allocation amongst the Directors;
- proposed capital increases reserved for the Group's employees and, where applicable, stock option plans and bonus share distribution plans to be submitted to the General Meeting of Shareholders, as well as the terms and conditions for implementing these capital increases and plans.

The Board receives reports on the work and proposals of the Compensation Committee from the Committee Chairman or a Committee member designated by the Chairman.

4.6. Appointments and Governance Committee

The Committee's duties, under the responsibility of the Board of Directors and in compliance with the provisions of the French Monetary and Financial Code, are to:

- identify and recommend to the Board suitable candidates for Director, with a view to their submission to the General Meeting of Shareholders;
- periodically assess, at least every 12 months, the balance and range of knowledge, skills and experience of Board members. This assessment is done individually and collectively;
- specify the roles and credentials required for Board duties and assess the time to be spent on such duties;
- review the policy applicable to the members of the Board of Directors with regard to criteria such as age, gender, qualifications and professional experience, as well as a description of this policy's targets, its implementation procedures, and the results obtained during the past financial year;
- periodically assess, and at least every 12 months, the Board's structure, size, composition and effectiveness having regard to its duties and to make all necessary recommendations to the Board;
- periodically review the Board's policies regarding the selection and appointment of Executive Management, Deputy Chief Executive Officer(s) and the Head of the Risk Management function, and make recommendations in this regard.

The Board receives reports on the work and proposals of the Committee from the Committee Chairman or a Committee member designated by the Chairman.

Article 5: Crédit Agricole S.A. Directors' Code of Conduct

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the Code appended to these Rules of Procedure, of which it forms an integral part, and every Board member has received a copy thereof.

Article 6: Group code of ethics

Every member of the Board of Directors of Crédit Agricole S.A. fully subscribes to the provisions of the code of ethics of Crédit Agricole Group and undertakes to respect them.

CRÉDIT AGRICOLE S.A. DIRECTORS' CODE OF CONDUCT

The purpose of this Code of Conduct is to contribute to the quality of the Directors' work by encouraging them to apply the principles and best practices of corporate governance.

Crédit Agricole S.A. Directors undertake to abide by the guidelines contained in this Code and to implement them.

Article 1 – Corporate administration and interests

Directors, regardless of how they are appointed, must consider themselves as representing all shareholders and other stakeholders and must act in their interests and in the Company's interests under all circumstances.

Article 2 – Compliance with the law and Articles of Association

When Directors first assume their office and throughout their term of office, they must be fully conversant with their general and/or special rights and obligations. They must know and comply with the regulations and legislation applicable to the Company and to their office, the applicable Codes of Governance and Best Practice, as well as the Company's own rules as set out in the Articles of Association and Rules of Procedure.

Article 3 – Attention and Diligence

Directors shall dedicate the necessary time, care and attention to their duties.

Directors must comply with the regulations and legislation applicable to Directors of credit institutions.

To this end, upon taking up office, Directors must inform the Chairman of the Board of all offices and positions held in other companies, along with the name and legal form of the entities in which these offices are held.

Directors must inform the Chairman of the Board, in a timely manner, of any change (termination, resignation, non-renewal, redundancy, new positions) to the declared list of offices.

Directors undertake to resign their offices if they feel they are no longer in a position to carry out their duties on the Board and on the Specialised Committees on which they sit.

Unless genuinely unable to do so, they must diligently attend and actively participate in all meetings of the Board and of any Committees on which they may sit.

Article 4 – Information and training

The Chairman ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties. Likewise, the Chairman of each Specialised Committee ensures that all relevant information and documents are made available to the Directors in sufficient time to properly carry out their duties.

Directors, regardless of their experience, have a responsibility to remain informed and acquire knowledge on an ongoing basis. They must keep themselves informed so as to be able to give full consideration to the matters covered in the meeting agenda of the Board.

To this end, Crédit Agricole S.A. allocates the necessary human and financial resources to train Directors and the latter are required to dedicate the necessary time to the training offered by Crédit Agricole S.A.

Directors are made aware of any legislative and regulatory changes, including those relating to inside information.

Article 5 – Performance of duties: Guidelines

Directors must act independently, fairly, professionally and with integrity in the performance of their duties.

Article 6 – Independence and duty to speak out

Directors must ensure that they retain their independence and freedom of judgement, decision and action in all circumstances. They must be impartial and undertake not to be influenced by any factor that may be detrimental to the corporate interests that they are bound to defend.

They should disclose to the Board any matter that may come to their attention and that they deem to be a potential threat to the Company's interests.

They are duty bound to clearly express their questions and opinions. In the event that they disagree, they should request that their objections be expressly recorded in the minutes of the meeting.

Article 7 – Independence and conflict of interest

The Director shall inform the Board of any conflict of interest, including potential conflicts of interest, in which they may be directly or indirectly involved. He shall refrain from attending the debates and participating in the vote on the corresponding deliberation.

Article 8 – Integrity, fairness and propriety

Directors shall act in good faith in all circumstances and shall not do anything that could be detrimental to the interests of the Company or other Crédit Agricole Group companies.

The Directors personally undertake to keep confidential all information received, all discussions in which they participate, and all decisions made.

Directors must demonstrate sufficient honesty, integrity and independence of mind to enable them to assess and, where necessary, question the decisions of Executive Management and ensure the supervision and effective monitoring of management decision-making.

Article 9 – Inside information – securities transactions

Directors shall not use inside information to which they have access for their personal gain or for the gain of any other person.

Crédit Agricole S.A. shares and related financial instruments

Directors aware of non-public information regarding the Company in which they exercise their term of office shall refrain from using such information to engage in trading in Crédit Agricole S.A. shares, whether directly or through a third party. They are thus added to the list of "Permanent Insiders" with respect to Crédit Agricole S.A. shares made available to the French financial markets authority (*Autorité des marchés financiers*, AMF).

They undertake to comply with the rules that stipulate that "Permanent Insiders" may trade in Crédit Agricole S.A. shares within a period of six weeks following the release of quarterly, half-yearly and annual results, provided that, during such periods, they are not aware of any non-public information on the Company.

They receive a letter notifying them of these obligations from the Compliance department of Crédit Agricole S.A., which they must acknowledge.

Crédit Agricole S.A. may from time to time prohibit trading in any Crédit Agricole S.A. financial instrument, including during those periods.

Directors are required to disclose any trading in the Company's shares and related financial instruments, whether on their own account or for closely related parties, in accordance with the applicable laws and regulations.

Persons who are required to file disclosures must send their disclosures to the French Financial Market Authority (AMF) by electronic means only within three (3) trading days after completion of the trades. Each disclosure is published on the AMF website.

At the General Meeting of Shareholders, the shareholders are informed of significant transactions by Directors during the past financial year. This is presented in a summary statement in the Company's management report.

In addition, by virtue of their work within Crédit Agricole S.A., Directors may also be added to the list of so-called "Occasional Insiders". They will be required to comply with the related restrictions of which they will be informed, and in particular those relating to the duty not to trade in Crédit Agricole S.A. equity during a project.

Financial instruments other than those issued by or related to Crédit Agricole S.A.

In addition, Directors are required to report to Crédit Agricole S.A. any transactions on their behalf and for persons closely related to them in financial instruments other than those issued or related to Crédit Agricole S.A., if they deem themselves to potentially be in a conflict of interest situation or holding confidential information that may be classified as privileged and acquired in the course of their duties as a Director of Crédit Agricole S.A. Crédit Agricole S.A. may be in a position to prohibit trading in any financial instrument (list known as "Occasional Insiders") that is the subject of specific non-public information within the framework of a Board of Directors of Crédit Agricole S.A. (strategic transaction, acquisition transaction, establishing a joint venture, etc.).

Refer to the glossary page 647 for the definition of the technical terms.

CODE OF ETHICS OF CRÉDIT AGRICOLE GROUP

This new Code of ethics expresses Crédit Agricole Group's commitment to behaviour that reflects all its values and principles of action *vis-à-vis* its customers, mutual shareholders, shareholders, as well as its suppliers and all stakeholders with whom it engages. It acts as a responsible employer.

It is the responsibility of Directors and executives to respect the values set out in this Code and to set an example. Executives must ensure that these values are applied and shared by all Crédit Agricole Group employees, regardless of their level of responsibility, business line or place of work.

Our Code of ethics, beyond merely applying all the legal, regulatory and industry rules governing our various businesses, reflects our desire to do even more to better serve our customers, who have been our *raison d'être* since day one.

All Directors and employees are made aware of our Code of ethics.

It is applied by each entity in a form that reflects its specific characteristics and incorporated into its internal control procedures.

The Compliance principles are compiled into a set of rules *(Corpus Fides).*

Our principles of action and behaviour comply with the fundamental principles found in the various international documents[1].

Our identity and values

Crédit Agricole Group is built around regional cooperative and mutual banks, with a European calling and open to the world.

Thanks to its Universal Customer-focused Banking model – based on the close cooperation between its retail banks and their related business lines –, Crédit Agricole Group aims to build a multi-channel relationship with its customers, streamlining and facilitating their plans in France and worldwide, helping them make optimal decisions, and supporting them over time, with determination, flexibility and innovation.

To help its customers and meet their needs, Crédit Agricole Group provides them with a wide range of expertise and know-how on: day-to-day banking, loans, savings products, insurance, asset management, real estate, lease financing, factoring, corporate and investment banking, etc.

Our long-standing values, close customer relationships, responsibility and solidarity mean that people drive our actions and are central to our purpose.

Crédit Agricole promotes the cooperative values of democratic governance, relationships of trust and respect for and between its members. It relies on each person's sense of responsibility and entrepreneurial spirit. Customer satisfaction, regional development and the search for long-term performance inform its actions.

Our identity and values require each person to act in an irreproachable manner. Each Group entity shares the belief that these values drive strength and growth.

Built on its sense of ethics and fairness and true to its cooperative culture, compliance helps enhance customer trust and the Group's image. It is central to our business lines and to the governance of Crédit Agricole Group.

Crédit Agricole Group undertakes that its principles of action help further its goal of being the fair bank, open to everyone, multi-channel, providing each person with support over time and with the ability to make fully informed decisions.

Our principles of action apply

Vis-à-vis our customers

Respect and support for customers, and fairness towards them

Each employee brings his or her experience and expertise to bear in listening to and serving customers and mutual shareholders, and in supporting them over time, all in a multi-channel environment. They listen and provide customers with fair advice, help customers make decisions by offering solutions that are tailored to their profile and interests while informing them of the related risks.

Solidarity

Built on the Group's mutual base, the relationships we establish with our customers, mutual shareholders and all our stakeholders embody solidarity, the fulfilment of all commitments made.

Usefulness and convenience

Our Group is committed to its Universal Customer-focused Banking model, a fount of values and beneficial for our customers, who get access to the expertise and know-how of all the Group's business lines. It remains true to its local commitment by spurring regional development.

Protection of personal data and transparency in their use

The Group has established a standard framework by means of a Personal Data Code to ensure our customers' data is protected.

Vis-à-vis society

Fundamental rights

The Group operates worldwide in compliance with human rights and basic social rights.

Corporate social responsibility (CSR)

The Group reaffirms its corporate social and environmental responsibility approach across all its business lines and within corporate operations. This approach is built on a value-creating CSR strategy and is designed to support our regional areas, strive for excellence in our dealings with our customers, partners, mutual shareholders and employees.

With respect to our employees

Responsible human resources policy

For the Group, being a responsible employer means ensuring non-discrimination, equal treatment, encouraging personal development, particularly through training actions, promoting gender equality, diversity of backgrounds and profiles and helping people with disabilities, promoting social dialogue and quality of working life, and creating a safe work environment in which all employees are treated with dignity and respect.

Through ethical behaviour

Professionalism and skills

Directors, executives and employees, regardless of their entity or geographic area, must be aware of and apply the laws, regulations, rules and professional standards as well as the procedures applicable to their entity, in order to ensure compliance and to implement them in a responsible manner.

(1) These include the principles in the Universal Declaration of Human Rights published by the UN in 1948, the ten principles of the United Nations Global Compact, the OECD Guidelines for Multinational Enterprises, the OECD anti-corruption guidelines and recommendations, and the International Labour Organization conventions.

Responsible behaviour

Every Director, executive, and employee reflects the Group's image. Responsible and ethical behaviour is required at all times and in all circumstances: no action is permitted that may harm the reputation and integrity of the Group's image.

Confidentiality and integrity of information

Group Directors, executives and employees are subject to the same duty of secrecy and are forbidden from improperly disseminating or using, for their own account or on behalf of third parties, any confidential information they may have. Employees must endeavour to provide reliable and accurate information to our customers, shareholders, supervisory authorities, the financial community and stakeholders in general.

Prevention of conflicts of interest

Group Directors, executives and employees must be free of all conflicts of interest in order to, at all times, ensure that the interests of our customers take precedence.

Vigilance

Everyone, Directors, executives and employees alike, must work to safeguard the interests of customers, combat money laundering and terrorist financing, comply with international sanctions, combat corruption, prevent fraud and safeguard market integrity. Each person must ensure an appropriate level of vigilance given the Group's business lines and, if necessary, use the alert mechanism, in line with current regulations and procedures.

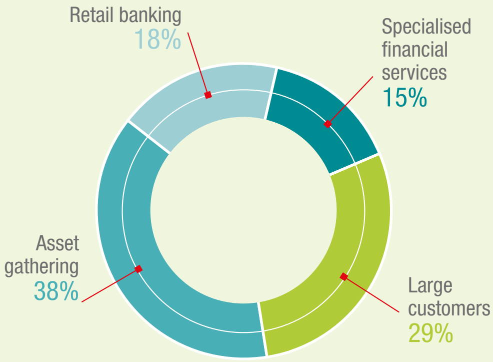
Refer to the glossary page 647 for the definition of the technical terms.

4 REVIEW OF THE 2019 FINANCIAL POSITION AND PERFORMANCE

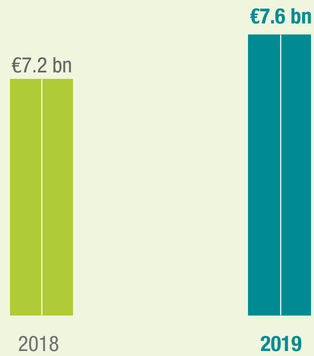
Refer to the glossary page 647 for the definition of the technical terms.

A balanced business mix

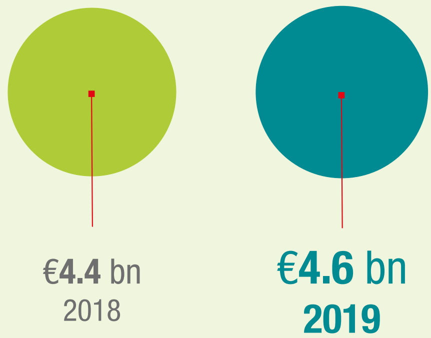
BREAKDOWN OF UNDERLYING NET INCOME GROUP SHARE



INCREASE IN UNDERLYING GROSS OPERATING INCOME



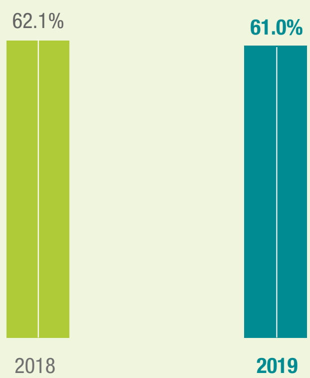
INCREASE IN UNDERLYING NET INCOME GROUP SHARE



PROFITABILITY AT A HIGH LEVEL

UNDERLYING RoTE

UNDERLYING COST TO INCOME RATIO IMPROVING(1)



(1) Excluding SRF.

Refer to the glossary page 647 for the definition of the technical terms.

OPERATING AND FINANCIAL INFORMATION

PRESENTATION OF THE CONSOLIDATED FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE S.A.

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 penalised 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 points).

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.

Refer to the glossary page 647 for the definition of the technical terms.

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 was 1.4% on a yearly average basis.

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 have reached 1.2% a yearly average basis (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 S.A. OPERATIONS AND CONSOLIDATED RESULTS

In full-year 2019, reported net income, Group share, reached €4,844 million, compared with €4,400 million in 2018, representing an increase of +10.1%.

Specific items in 2019 had an impact of+€262 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 -€611 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 -€15 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 -€79 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 +€66 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 -€3 million.

Excluding these specific items, **underlying net income Group share reached €4,582 million,** up **+4.0%** compared to 2018.

Underlying earnings per share were €1.39 per share, unchanged **(+0.1%)** compared to 2018 but up +2.9% excluding currency impact on AT1 coupons in Q3 2019.

Crédit Agricole S.A.'s Board of Directors will propose to the General Shareholder's Meeting of 13 May 2020 an all-cash **dividend per share of €0.70,** in line with the distribution policy and **+1.4% higher** than the dividend paid for 2018.

Underlying **RoTE** (return on tangible equity Group share excluding intangibles) net of coupons on Additional Tier 1 securities reached 11.9% in 2019, less than compared to 2018 (12.7%) but above MTP RoTE target.

(in millions of euros)	2019 stated	2018 stated	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**20,153**	**19,736**	**+2.1%**	**20,339**	**19,694**	**+3.3%**
Operating expenses excl. SRF	(12,421)	(12,286)	+1.1%	(12,405)	(12,227)	+1.5%
SRF	(340)	(302)	+12.5%	(340)	(302)	+12.5%
Gross operating income	**7,392**	**7,147**	**+3.4%**	**7,594**	**7,165**	**+6.0%**
Cost of risk	(1,256)	(1,002)	+25.5%	(1,256)	(1,002)	+25.5%
Cost of legal risk	-	(80)	-100.0%	-	(75)	-100.0%
Equity-accounted entities	352	256	+37.6%	352	323	+9.0%
Net income on other assets	54	89	-39.5%	60	89	-32.5%
Change in value of goodwill	(589)	86	n.m.	-	-	n.m.
Income before tax	**5,952**	**6,496**	**-8.4%**	**6,749**	**6,500**	**+3.8%**
Tax	(456)	(1,466)	-68.9%	(1,559)	(1,471)	+6.0%
Net income from discontinued or held-for-sale operations	(38)	(3)	n.m.	8	(3)	n.m.
Net income	**5,458**	**5,027**	**+8.6%**	**5,198**	**5,026**	**+3.4%**
Non controlling interests	(614)	(627)	-2.1%	(616)	(620)	-0.7%
NET INCOME GROUP SHARE	**4,844**	**4,400**	**+10.1%**	**4,582**	**4,405**	**+4.0%**
EARNINGS PER SHARE *(in euros)*	**1.48**	**1.39**	**+6.9%**	**1.39**	**1.39**	**+0.1%**
COST/INCOME RATIO EXCL. SRF *(%)*	**61.6%**	**62.3%**	**-0.6 pp**	**61.0%**	**62.1%**	**-1.1 pp**

Underlying revenues were up +3.3% 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 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 +1.5%, excluding the contribution to the SRF. This cost control led to a positive jaws effect of +1.8 percentage point over the period. In the core business lines alone, the increase in operating expenses excluding the SRF was +2.0%. 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 underlying cost to income ratio excluding SRF was 61.0%, including IFRIC 21 expenses in the first quarter, an improvement of 1.1 percentage points compared to the third quarter of 2018.The contribution to the Single Resolution Fund increased substantially to €340 million, *i.e.* 12.5% compared to 2018, concentrated in the first two quarters of 2018 and 2019.

The cost of credit risk was up +25.5%/-€254 million compared to 2018 at -€1,256 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 **underlying share of net income from equity-accounted entities** showed an increase of **+9.0%** between 2018 and 2019, at €352 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 **3.8%** to €6,749 million. The underlying tax charge amounted to €1,559 million in 2019, an increase of +6.0% 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 24.4% in 2019 compared with 23.8% in 2018.

These developments combined led to an increase in underlying net income before non-controlling interests of 3.4% compared to 2018. **Non-controlling interests** are unchanged, -0.7% compared to 2018.

Underlying net profit increased by **+4.0%** to **€4,582 million.**

Refer to the glossary page 647 for the definition of the technical terms.

The specific elements that have had an impact on Crédit Agricole S.A.'s accounts in 2019 and 2018 are as follows:

	2019		2018	
(in millions of euros)	Gross impact*	Impact on net income	Gross impact*	Impact on net income
DVA (LC)	(21)	(15)	22	16
Loan portfolio hedges (LC)	(44)	(32)	23	17
Home Purchase Savings Plans (FRB)	(31)	(20)	(1)	(1)
Home Purchase Savings Plans (CC)	(90)	(59)	(3)	(2)
Total impact on revenues	**(186)**	**(126)**	**41**	**30**
Santander/Kas Bank integration costs (LC)	(15)	(11)	-	-
Pioneer integration costs (AG)	-	-	(56)	(29)
3 Italian banks integration costs (IRB)	-	-	(2)	(1)
Total impact on operating expenses	**(15)**	**(11)**	**(59)**	**(30)**
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)**
Impairment LCL goodwill (CC)	(611)	(611)	-	-
Badwill Kas Bank (LC)	22	22	-	-
Change of value of goodwill (CC)	-	-	86	66
Total impact on change of value of goodwill	**(589)**	**(589)**	**86**	**66**
Emporiki litigation (CC)	-	1,038	-	-
Total impact on tax	**-**	**1,038**	**-**	**-**
Santander/Kas Bank acquisition costs (LC)	(6)	(5)	-	-
Total impact on net income on other assets	**(6)**	**(5)**	**-**	**-**
Reclassification of held-for-sale operations (IRB)	(46)	(46)	-	-
Total impact on Net income from discounted or held-for-sale operations	**(46)**	**(46)**	**-**	**-**
TOTAL IMPACT OF SPECIFIC ITEMS	**(843)**	**262**	**(4)**	**(5)**
Asset gathering	-	-	(56)	(29)
French Retail Banking	(31)	(20)	(1)	(1)
International Retail Banking	(46)	(46)	(2)	(1)
Specialised Financial Services	-	-	(67)	(67)
Large Customers	(65)	(40)	45	33
Corporate Centre	(701)	368	78	59

* *Impact before tax and before minority interests.*

Solvency

At 31 December 2019, Crédit Agricole S.A.'s financial strength remained at a high level, reflected by its CET1 ratio of 12.1%, up 0.6 percentage points compared to 31 December 2018.

- In the fourth quarter 2019, the ratio benefited from a significant positive impact of +32 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.
- For the full year 2019 and excluding this impact, Crédit Agricole S.A. has delivered a very good level of results, allowing it to distribute a dividend of €0.70 per share, up +1.4% on the 2018 financial year. Retained earnings had a +42 basis points positive impact on the CET1 ratio over the year.
- At the same time, equity capital recorded a positive impact of +32 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 51 basis points.
- In addition, the CET1 ratio also recorded a regulatory impact of -16 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 -8 basis points as a result of the structural operations carried out during the year (finalisation of the transaction between Agos and Banco BPM: -10 basis points, acquisition of Kas Bank by CACEIS and merger between CACEIS and Santander: -8 basis points, as well as the disposal of the shares held in BSF: +11 basis points).

At end-December 2019, risk-weighted assets were €324 billion, compared to €307 billion at end-December 2018. This increase (+€16.8 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 +€4.1 billion increase over the period. At 12.1%, the CET1 ratio is higher than the target of 11% as set in Crédit Agricole S.A.'s 2022 Medium-Term Plan, and offers a substantial buffer of +345 basis points above the 2020 SREP/P2R proforma threshold applicable to Crédit Agricole S.A. as from 1 January 2020 at 8.7% (including the counter-cyclical buffer).In the first quarter of 2020 Crédit Agricole S.A. has decommissioned 35% of the Switch for Insurances.

This is a further step in the simplification of Crédit Agricole S.A.'s solvency structure. The impact of this transaction on Crédit Agricole S.A.'s CET1 ratio will be approximately -40 basis points as of 31 March 2020.

The **phased-in Tier 1 ratio** was 13.7% and the **total capital ratio phased-in** of **17.5%** at 31 December 2019.

Lastly, Crédit Agricole S.A.'s **phased-in leverage ratio** stood at **4.2%** 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 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 S.A.'s businesses are housed in five business lines:

- Savings management and Insurance;
- Retail banking in France – LCL;
- 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 of business lines to net income Group share of Crédit Agricole S.A.

(in millions of euros)	**2019**	**2018**
French retail banking – LCL	570	557
International retail banking	333	341
Asset gathering	2,034	1,908
Specialised financial services	815	738
Large customers	1,538	1,528
Corporate Centre	(445)	(672)
TOTAL	**4,844**	**4,400**

Refer to the glossary page 647 for the definition of the technical terms.

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	∆ 2019/2018 stated	2019 underlying	2018 underlying	∆ 2019/2018 underlying
Revenues	**6,078**	**5,778**	**+5.2%**	**6,078**	**5,778**	**+5.2%**
Operating expenses excl. SRF	(2,896)	(2,833)	+2.2%	(2,896)	(2,777)	+4.3%
SRF	(7)	(3)	x2.2	(7)	(3)	x2.2
Gross operating income	**3,174**	**2,941**	**+7.9%**	**3,174**	**2,998**	**+5.9%**
Cost of risk	(19)	(17)	+13.9%	(19)	(17)	+13.9%
Equity-accounted entities	46	47	-2.9%	46	47	-2.9%
Net income on other assets	32	(3)	n.m.	32	(3)	n.m.
Income before tax	**3,233**	**2,969**	**+8.9%**	**3,233**	**3,025**	**+6.9%**
Tax	(881)	(774)	+13.8%	(881)	(789)	+11.7%
NET INCOME GROUP SHARE	**2,034**	**1,908**	**+6.6%**	**2,034**	**1,937**	**+5.0%**
COST/INCOME RATIO EXCL. SRF *(%)*	**47.7%**	**49.0%**	**-1.4 pp**	**47.7%**	**48.1%**	**-0.4 pp**

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 +5.0% compared to the same period in 2018 and was €2,034 million. The business line's good commercial performance led to a 5.2% year-on-year rise in net banking income while operating income rose +7.9% thanks to a smaller +2.2% rise in expenses. Pre-tax income rose by 8.9% and net income Group share by +6.6% to €2,034 million.

The cost to income ratio improved 1.4 points to 47.7%.

Asset Gathering contributed 38% of Crédit Agricole S.A.'s underlying net income Group share of the business divisions (excluding the Corporate Centre) in 2019 and 29% of underlying revenues also excluding the Corporate Centre.

At 31 December 2019, the capital allocated to the business was €8.9 billion, including €1.0 billion for Asset Management, €0.5 billion for Wealth Management and €7.3 billion for Insurance. As for weighted assets, those allocated to the core business totalled €31.1 billion, of which €10.4 billion to Asset Management, €5.1 billion to Wealth Management and €15.6 billion to Insurance.

These risk-weighted assets are calculated taking into account the "Switch" guarantee, which allowed Crédit Agricole S.A. to save €34 billion in risk-weighted assets in the prudential treatment of the Insurance business line, but which cuts about -€50 million per quarter from its net income (or approximately -€75 million per quarter recorded in revenues). These impacts are before the 35% partial settlement announced for the first quarter of 2020.

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	∆ 2019/2018 stated	2019 underlying	2018 underlying	∆ 2019/2018 underlying
Revenues	**2,617**	**2,451**	**+6.8%**	**2,617**	**2,451**	**+6.8%**
Operating expenses	(754)	(694)	+8.6%	(754)	(694)	+8.6%
Income before tax	**1,864**	**1,753**	**+6.3%**	**1,864**	**1,753**	**+6.3%**
Tax	(541)	(454)	+19.0%	(541)	(454)	+19.0%
Net income from discontinued or held-for-sale operations	8	(1)	n.m.	8	(1)	n.m.
NET INCOME GROUP SHARE	**1,329**	**1,288**	**+3.2%**	**1,329**	**1,288**	**+3.2%**
COST/INCOME RATIO EXCL. SRF *(%)*	**28.8%**	**28.3%**	**+0.5 pp**	**28.8%**	**28.3%**	**+0.5 pp**

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-September 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 €1,329 million, an increase of +3.2% compared to 2018. Underlying revenues amounted to €2,617 million, up +6.8%, the underlying operating expenses amounted to €754 million (+8.6%), and the underling cost/income ratio for the year 2019 was 28.8%, 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.

Insurance contributed for 25% to Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) over 2019 and 13% of their underlying income.

At 31 December 2019, capital allocated to Insurance was €7.3 billion and risk-weighted assets totalled €15.6 billion.

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	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**2,636**	**2,504**	**+5.3%**	**2,636**	**2,504**	**+5.3%**
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**	**1,087**	**+13.2%**	**1,231**	**1,144**	**+7.6%**
Cost of risk	(11)	(11)	-4.9%	(11)	(11)	-4.9%
Equity-accounted entities	46	47	-2.9%	46	47	-2.9%
Tax	(326)	(297)	+10.0%	(326)	(311)	+4.8%
Net income	**941**	**827**	**+13.7%**	**941**	**869**	**+8.3%**
Non controlling interests	(302)	(266)	+13.8%	(302)	(279)	+8.5%
NET INCOME GROUP SHARE	**638**	**561**	**+13.7%**	**638**	**590**	**+8.2%**
COST/INCOME RATIO EXCL. SRF *(%)*	**53.2%**	**56.5%**	**-3.4 pp**	**53.2%**	**54.3%**	**-1.1 pp**

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 +5.3% 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 -2.9% 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 excluding SRF improved by 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 +8.2% to €638 million.

Refer to the glossary page 647 for the definition of the technical terms.

Asset management contributed for 12% to Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2019 and 13% of their underlying revenue.

At 31 December 2019, capital allocated to Asset management was €1.0 billion and risk-weighted assets totalled €10.4 billion.

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)	+76.6%	(10)	(5)	+76.6%
Income before tax	**102**	**92**	**+11.2%**	**102**	**92**	**+11.2%**
Tax	(15)	(24)	-37.7%	(15)	(24)	-37.7%
Net income	**87**	**68**	**+28.3%**	**87**	**68**	**+28.3%**
NET INCOME GROUP SHARE	**66**	**59**	**+12.9%**	**66**	**59**	**+12.9%**
COST/INCOME RATIO EXCL. SRF *(%)*	**89.8%**	**87.9%**	**+1.9 pp**	**89.8%**	**87.9%**	**+1.9 pp**

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 +12.9% 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 +12.9 over the year. The underlying cost to income ratio excluding SRF slightly declined with 1.9 point.

Asset management contributed 1% of Crédit Agricole S.A.'s business lines underlying net income Group share (excluding the Corporate Centre) over 2019 and 4% of their underlying income.

At 31 December 2019, capital allocated to Wealth management was €0.5 billion and risk-weighted assets totalled €5.1 billion.

Retail banking in France (LCL)

For Crédit Agricole S.A., Retail banking in France includes only the results of its subsidiary LCL, in which it owns 95.6%. The results of Crédit Agricole's Regional Banks have been excluded from the Crédit Agricole S.A. scope since the beginning of 2016.

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**	**3,434**	**+1.6%**
Operating expenses excl.SRF	(2,340)	(2,363)	-1.0%	(2,340)	(2,363)	-1.0%
SRF	(32)	(28)	+13.2%	(32)	(28)	+13.2%
Gross operating income	**1,086**	**1,043**	**+4.1%**	**1,117**	**1,044**	**+7.0%**
Cost of risk	(217)	(220)	-1.2%	(217)	(220)	-1.2%
Income before tax	**870**	**873**	**-0.3%**	**901**	**874**	**+3.2%**
Tax	(274)	(288)	-4.9%	(285)	(288)	-1.3%
Net income	**596**	**584**	**+2.2%**	**617**	**584**	**+5.6%**
NET INCOME GROUP SHARE	**570**	**558**	**+2.2%**	**589**	**558**	**+5.6%**
COST/INCOME RATIO EXCL. SRF *(%)*	**67.7%**	**68.8%**	**-1.1 pp**	**67.1%**	**68.8%**	**-1.7 pp**

LCL continues to grow with a gross customer base of +360,000 individual and business customers in 2019, representing 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 and financial constraints. (civil enforcement proceedings and fragile clientele), as well as financial. 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 +7.0%, 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 €589 million at end-December 2019, up +5.6% 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 11% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding the Corporate Centre) in 2019 and **17% of their underlying revenue.**

At 31 December 2019, **capital** allocated to LCL stood at **€4.9 billion** (13% of the total) and **risk-weighted assets** were **€51.8 billion** (16% of the total).

LCL's **underlying** return on normalised equity **(RoNE)** was **10.8%** in 2019 and 11% in 2018.

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

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

Refer to the glossary page 647 for the definition of the technical terms.

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 (Cassa di Risparmio – CR), di Cesena, di 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	Δ 2019/2018 stated	2019 underlying	2018 underlying	Δ 2019/2018 underlying
Revenues	**2,796**	**2,732**	**+2.3%**	**2,796**	**2,732**	**+2.3%**
Operating expenses excl. SRF	(1,731)	(1,716)	+0.9%	(1,731)	(1,714)	+1.0%
SRF	(22)	(22)	+1.5%	(22)	(22)	+1.5%
Gross operating income	**1,042**	**994**	**+4.9%**	**1,042**	**996**	**+4.6%**
Cost of risk	(335)	(358)	-6.5%	(335)	(358)	-6.5%
Net income on other assets	2	14	-83.3%	2	14	-83.3%
Income before tax	**710**	**650**	**+9.2%**	**710**	**652**	**+8.8%**
Tax	(199)	(185)	+7.7%	(199)	(186)	+7.3%
Net income from discontinued or held-for-sale operations	(46)	-	n.m.	(0)	-	n.m.
Net income	**465**	**465**	**-0.1%**	**511**	**467**	**+9.4%**
Non controlling interests	(132)	(124)	+6.0%	(132)	(125)	+5.6%
NET INCOME GROUP SHARE	**333**	**341**	**-2.3%**	**379**	**342**	**+10.8%**
COST/INCOME RATIO EXCL. SRF *(%)*	**61.9%**	**62.8%**	**-0.9 pp**	**61.9%**	**62.7%**	**-0.8 pp**

Over 2019 as a whole, the underlying net income of **international Retail Banking** stood at €379 million, an increase of 10.8% compared to 2018, driven by growth in gross operating income (+4.6% versus 2018) benefitting from a positive jaws effect, and thanks to an improvement in credit quality (a -6.5% 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 62.7%, an improvement of 0.8 percentage point compared to 2018.

International Retail Banking contributed **7% of Crédit Agricole S.A.'s underlying net income Group share of the business lines** (excluding the Corporate Centre) in 2019 and **13% of their underlying revenue.**

At 31 December 2019, capital allocated to the International Retail banking division was €4.0 billion (11% of the total allocation); and risk-weighted assets stood at €41.6 billion (13% of the total).

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 (-€1 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 €216 million, an increase of 10.3% compared to 2018.

Italy, the Group's second largest domestic market after France, accounted for more than two-thirds of revenues and almost four-fifths of loans and on-balance sheet deposits of the International Retail Banking business line, followed by Poland and Morocco. Although CA Italia is 75.6% owned

(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.

by the Group, it accounted for 57% of the division's underlying net income of the International Retail Banking business line.

More broadly, the **underlying net income Group share of all Crédit Agricole S.A. entities in Italy** excluding Corporate Centre was **€645 million,** up +12% compared to 2018. The contribution of the Italian Group was **14.3% of net income Group share**[1]. Intragroup revenue synergies increased over the year (+8% since 2018) to **€886 million,** thanks to the strengthening of cross-selling and the various cross-functional strategic projects, to which all business lines contributed.

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%[2] (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%[2] in 12 months, buoyed by a good performance in Egypt (+10.2%[2]). Loans outstanding stood at €11.9 billion at end-December, a year-on-year increase of +6.5%[2].

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

In full-year 2019, net banking income was up 7.7% compared to 2018 at €913 million. It is buoyed by the good performance of all subsidiaries (Poland +4%[2], Morocco +4%[2], Egypt +5%[2], Ukraine +5%[2]). Operating expenses saw a rise of 5.2% over the same period, thus allowing a positive jaws effect to be generated over the year. The cost to income ratio came to 60.4%, an improvement of 1.5 percentage points compared to 2018.

Gross operating income showed a solid progress, of +11.9% in 2019. It is buoyed by the good performance in Poland (+7%[2] in gross operating income compared to 2018, Egypt (+2%[2]).

The cost of risk is stable (+1.1%) at -€83 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 €163 million, an increase of 11.5% compared with 2018.

This business now accounts for 3**% of Crédit Agricole S.A.'s underlying net income Group share of the business lines (excluding Corporate Centre)** in 2019 and **4% of its 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%)
SRF	(18)	(18)	+4.3%	(18)	(18)	+4.3%
Gross operating income	**1,354**	**1,389**	**-2.5%**	**1,354**	**1,389**	**-2.5%**
Cost of 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%**
Tax	(233)	(244)	-4.4%	(233)	(244)	-4.4%
Net income	**919**	**866**	**+6.1%**	**919**	**933**	**-1.5%**
Non controlling 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 (+4% over the year), as did consolidated assets under management, which also rose (+3.6%) 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[3] (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 +3.1% year-on-year to €15 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).

(1) Underlying income of the Crédit Agricole S.A. business lines.
(2) Excluding currency impact.
(3) Average over the last four quarters of provisions on outstanding loans, annualised.

Refer to the glossary page 647 for the definition of the technical terms.

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).

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	**5,603**	**5,368**	**+4.4%**	**5,668**	**5,323**	**+6.5%**
Operating expenses excl. SRF	(3,321)	(3,169)	+4.8%	(3,305)	(3,169)	+4.3%
SRF	(177)	(170)	+4.6%	(177)	(170)	+4.6%
Gross operating income	**2,105**	**2,030**	**+3.7%**	**2,185**	**1,984**	**+10.1%**
Cost of risk	(160)	64	n.m.	(160)	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%
Income before tax	**1,978**	**2,108**	**-6.2%**	**2,042**	**2,062**	**-1.0%**
Tax	(407)	(550)	-26.0%	(431)	(539)	-20.1%
Net income from discontinued or held-for-sale operations	-	-	n.m.	-	-	n.m.
Net income	**1,570**	**1,557**	**+0.8%**	**1,612**	**1,524**	**+5.8%**
Non controlling interests	(32)	(30)	+8.6%	(33)	(29)	+15.1%
NET INCOME GROUP SHARE	**1,538**	**1,528**	**+0.7%**	**1,579**	**1,495**	**+5.6%**
o/w Corporate & Investment Banking	*1,388*	*1,354*	*+2.5%*	*1,435*	*1,321*	*+8.6%*
o/w Asset servicing	*150*	*174*	*-13.8%*	*143*	*174*	*-17.6%*
COST/INCOME RATIO EXCL. SRF *(%)*	**59.3%**	**59.0%**	**+0.2 pp**	**58.3%**	**59.5%**	**-1.2 pp**

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 +6.5% over the year to reach €5,668 million in 2019. This good trend can be observed across the division's various businesses, but is mainly driven by Capital Market and Investment Banking, whose underlying revenues rose +12.7% compared to financial year 2018.

Underlying revenues of the **financing activities** are slightly up +1.5%, to €2,518 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 +12.7% to €2,213 million in the favorable market environment. Revenues were boosted by the good performance of fixed income activities with 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.

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

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 -€15 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, booked under BFI/BF financing activities;
- 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 underlying cost to income ratio excluding SRF was up by 1.2 points to stand at 58.3%.

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 recalled 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 €1,579 million, an increase of +5.6% compared to 2018. Underlying revenues were up +6.5% compared to 2018.

It should be recalled that 2018 included the capital gain on the disposal of CACEIS' activities in North America (€14 million).

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 the UTF improved by -1.2 percentage point to 58.3% for the full year 2019.

As at 31 December 2019, the equity allocated to the Large Customer division totalled €11.4 billion, including €6.6 billion for Corporate and Investment Banking, €3.8 billion for Capital Markets and Equity and €0.9 billion for Asset servicing.

The division's weighted assets under management totalled €119.6 billion, including €69.8 billion for Corporate Banking, €40.1 billion for Capital Markets and Investment Banking and Equity and €9.7 billion for Institutional Financial Services Weighted assets (€119.6 billion) were stable vs. end-December 2018, but down vs. end-September 2019 (-3%), mainly due to Corporate and Investment Banking optimisation actions (synthetic securitisations -€1.7 billion and the disposal of Banque Saudi Fransi -€1.1 billion). However, the ratio of underlying net banking income to weighted average assets rose 66 basis points compared to the fourth quarter 2018.

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 29% of the underlying net income Group share of Crédit Agricole S.A.'s business lines (excluding the Corporate Centre) in 2019 and 27% 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 intragroup transactions.

The financial statements for the year 2019 include several specific items for a total impact of +€368 million in net income Group share, which concern the positive impact of the favourable decision of the French Council of State in the dispute over the tax treatment of Emporiki shares for +€1,038 million, the negative impact of the goodwill impairment recognised on LCL for -€611 million as well as the provision for home purchase savings plans set aside by Crédit Agricole S.A. for -€59 million. In 2018, specific items had a total impact of +€59 million, relating to the allocation to the provision for home purchase savings plans for -€2 million, the ECB fine (-€5 million in cost of legal risk) and the change in goodwill for +€66 million.

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

Refer to the glossary page 647 for the definition of the technical terms.

Corporate Centre (CC) – 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	**(497)**	**(344)**	**+44.3%**	**(407)**	**(341)**	**+19.3%**
Operating expenses excl.SRF	(789)	(842)	-6.3%	(789)	(842)	-6.3%
SRF	(83)	(62)	+34.3%	(83)	(62)	+34.3%
Gross operating income	**(1,369)**	**(1,249)**	**+9.6%**	**(1,279)**	**(1,245)**	**+2.7%**
Cost of risk	(28)	(5)	x6.3	(28)	(5)	x6.3
Cost of legal risk	-	(80)	(-00.0%	-	(75)	-100.0%
Equity-accounted entities	6	21	-70.8%	6	21	-70.8%
Net income on other assets	12	13	-10.7%	12	13	-10.7%
Change in value of goodwill	(611)	86	n.m.	-	-	n.m.
Income before tax	**(1,991)**	**(1,213)**	**+64.1%**	**(1,290)**	**(1,291)**	**-0.1%**
Tax	1,539	576	x2.7	470	575	-18.2%
Net income	**(452)**	**(638)**	**-29.1%**	**(820)**	**(717)**	**+14.4%**
Non controlling interests	7	(35)	n.m.	7	(15)	n.m.
NET INCOME GROUP SHARE	**(445)**	**(672)**	**-33.8%**	**(813)**	**(731)**	**+11.1%**

In 2019, the business division's underlying net income Group share came to -€813 million, (compared to -€731 for 2018). This includes a contribution to the Single Resolution Fund (SRF) of -€83 million, an increase of +34.3% compared to 2018.

(in millions of euros)	2019	2018	Δ 2019/2018	Δ 2019/2018 *(%)*
Of which structural net income	**(881)**	**(953)**	**+72**	**-7.6%**
▪ Balance sheet & holding Crédit Agricole S.A.	(937)	(1,054)	+117	-11.1%
▪ Other activities (CACIF, CA Immobilier, etc.)	51	+119	-69	-57.5%
▪ Support functions (CAPS, CAGIP, SCI)	5	(19)	+24	ns
Of which other elements of the division	**68**	**222**	**-154**	**-69.3%**

The "structural" contribution improved by +€72 million to -€881 million in 2019, mainly as a result of an improvement in the contribution of Crédit Agricole S.A.'s activities and functions of the Corporate Centre (the negative contribution was reduced by €117 million between the two periods), thanks in particular to a gradual reduction in the cost of debt. At the same time, the other elements make a positive contribution of €68 million in 2019, a significant decrease compared to 2018 (+€222 million which represented a high basis of comparison).

At 31 December 2019, risk-weighted assets stood at €24.9 billion and allocated capital at €2.4 billion.

RoTE

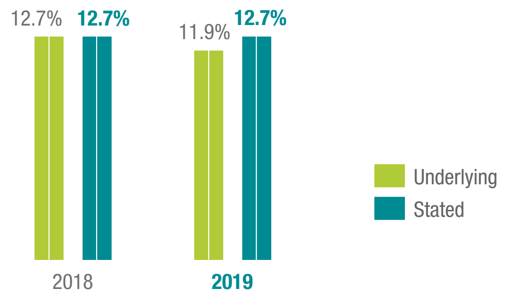
RoTE (Return on Tangible Equity) measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

Published RoTE was stable at the end of 2019 compared to the end of 2018 at 12.7%. Underlying RoTE is down to 11.9% compared to 12.7% for 2018, but remains above the 11% target announced in the Medium-Term Plan.

RoTE *(%)*

(in millions of euros)		2019	2018
Net income Group share attributable to ordinary shares	[H]	4,257	3,957
Tangible NBV (TNBV), not revaluated attrib. to ordinary shares – average[(1)]	[J]	33,525	31,120
Stated RoTE *(%)*	**[H]/[J]**	**12.7%**	**12.7%**
Underlying net income attrib. to ord. shares (annualised)	[I]	3,995	3,962
UNDERLYING RoTE *(%)*	**[I]/[J]**	**11.9%**	**12.7%**

(1) Including assumption of dividend for the current exercise.



Earnings per share

Earnings per share represent a company's net profit divided by the average number of shares outstanding excluding treasury shares. It indicates the portion of profit attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, with total profit unchanged, if the number of shares increases.

Crédit Agricole S.A. – data per share

(in millions of euros)		2019	2018	Δ 2019/2018
Net income Group share – stated		4,844	4,400	+10.1%
▪ Interests on AT1, including issuance costs, before tax		(587)	(443)	+32.5%
NIGS attributable to ordinary shares – stated	**[A]**	**4,257**	**3,957**	**+7.6%**
Average number shares in issue, excluding treasury shares (m)	[B]	2,873.4	2,853.7	+0.7%
Net earnings per share – stated	**[A]/[B]**	**€1.48**	**€1.39**	**+6.9%**
Underlying net income Group share (NIGS)		4,582	4,405	+4.0%
Underlying NIGS attributable to ordinary shares	**[C]**	**3,995**	**3,962**	**+0.8%**
NET EARNINGS PER SHARE – UNDERLYING	**[C]/[B]**	**€1.39**	**€1.39**	**+0.1%**

Reported earnings per share were up +6.9% in 2019 to €1.48 and underlying earnings per share were up +0.1% to €1.39 (+2.9% excluding currency impact on AT1 coupons in Q3 2019).

Crédit Agricole S.A. Tangible asset profitability

(in millions of euros)		31/12/2019	31/12/2018
Shareholder's equity Group share		62,921	58,811
▪ AT1 issuances		(5,134)	(5,011)
▪ Unrealised gains and losses on OCI – Group share		(2,993)	(1,696)
▪ Payout assumption on annual results[1]		(2,019)	(1,975)
Net book value (NBV), not revaluated, attributable to ordinary shares	**[D]**	**52,774**	**50,129**
▪ Goodwill & intangibles[2] – Group share		(18,011)	(17,843)
Tangible NBV (TNBV), not revaluated attrib. to ordinary shares	**[E]**	**34,764**	**32,286**
Total shares in issue, excluding treasury shares *(period end, m)*	[F]	2,884.3	2,862.1
NBV PER SHARE , AFTER DEDUCTION OF DIVIDEND TO PAY *(in euros)*	**[D]/[F]**	**€18.3**	**€17.5**
+ DIVIDEND TO PAY *(in euros)*	**[H]**	**€0.7**	**€0.69**
NBV PER SHARE , BEFORE DEDUCTION OF DIVIDEND TO PAY *(in euros)*		**€19.0**	**€18.2**
TNBV PER SHARE, AFTER DEDUCTION OF DIVIDEND TO PAY *(in euros)*	**[G]=[E]/[F]**	**€12.1**	**€11.3**
TNBV PER SHARE, BEFORE DEDUCTION OF DIVIDEND TO PAY *(in euros)*	**[G]+[H]**	**€12.8**	**€12.0**

(1) Dividend proposed by the Board of Directors to be paid.
(2) Including goodwill in non-controlling interests.

Refer to the glossary page 647 for the definition of the technical terms.

CRÉDIT AGRICOLE S.A. CONSOLIDATED BALANCE SHEET

Crédit Agricole S.A. – Consolidated balance sheet

(in millions of euros)	Notes	31/12/2019	31/12/2018	Change
Cash, central banks	6.1	93,079	66,976	39.0%
Financial assets at fair value through profit and loss	6.2-6.9	399,477	365,475	9.3%
Hedging derivative instruments	3.2-3.4	19,368	14,322	35.2%
Available-for-sale financial assets	6.4-6.7-6.8-6.9			
Loan and receivables due from credit institutions	3.1-3.3-6.5-6.8-6.9	438,581	412,981	6.2%
Loan and receivables due from customers	3.1-3.3-6.5-6.8-6.9	395,180	369,456	7.0%
Revaluation adjustment on interest rate hedged portfolios		7,145	6,375	12.1%
Held-to-maturity securities	6.6-6.7-6.9			
Current and deferred tax assets	6.13	4,300	4,480	-4.0%
Accruals account and sundry assets	6.14	38,349	38,013	0.9%
Non-current assets held for sale and discontinued operations		475	257	84.8%
Investment in equity-accounted entities	6.15	7,232	6,368	13.6%
Fixed assets	6.16-6.17	15,337	12,764	20.2%
Goodwill	6.16	15,280	15,491	-1.4%
TOTAL ASSETS		**1,767,643**	**1,624,394**	**8.8%**

(in millions of euros)	Notes	31/12/2019	31/12/2018	Variation
Central Banks	6.1	1,896	949	99.8%
Financial liabilities at fair value through profit and loss	6.2	246,669	228,111	6.7%
Due to credit institutions	3.3-6.10	142,041	131,960	9.7%
Due to customers	3.1-3.3-6.10	646,914	597,170	8.4%
Debt instruments	3.2-3.3-6.11	201,007	184,470	9.0%
Re-evaluation adjustment on interest rate hedged portfolios		9,183	6,612	38.9%
Current and deferred tax liabilities	6.13	3,766	2,376	58.5%
Adjustment account and sundry liabilities	6.14	49,285	42,309	16.5%
Liabilities associated with non-current assets held for sale		478	229	108.7%
Insurance company technical reserves	6.19	356,107	324,033	9.9%
Provisions	6.20	4,364	5,809	-24.9%
Subordinated debt	3.2-3.3-6.11	21,797	22,765	-4.3%
Total liabilities		**1,696,800**	**1,558,878**	**8.8%**
Equity	**6.12**	**70,843**	**65,516**	**8.1%**
Equity – Group share		**62,920**	**58,811**	**7.0%**
Non-controlling interests		**7,923**	**6,705**	**18.2%**
TOTAL LIABILITIES		**1,767,643**	**1,624,394**	**8.8%**

Main changes in the consolidated balance sheet

At 31 December 2019, the consolidated balance sheet of Crédit Agricole S.A. amounted to €1,767.6 billion, up +€141.8 billion (8.8%) compared with the 2018 balance sheet. 2019 was the first time IFRS 16 was applied, which resulted in a total increase of €1.4 billion on the balance sheet. Excluding this impact, the rise is essentially attributable to €141.8 billion in organic growth for the following aggregates:

- the rise in financial assets at amortised cost totalling €66.0 billion;
- the rise in financial assets at fair value through profit or loss of €34.0 billion;
- the rise in central banks and Regional Banks for €26.1 billion.

It should be noted that the remainder of the increase relates to the hedging derivatives, Financial Assets at fair value through other comprehensive income, Accruals and Other Assets and Other Assets aggregates for an amount of €15.6 billion.

Analysis of the main items

Loans and receivables from customers and credit institutions totalled €833.7 billion at end-December 2019, an increase of 6.6% or +€51.3 billion compared with 2018.

Loans and receivables due from customers (including lease financing operations) totalled €395.2 billion at 31 December 2019, compared with €369.4 billion a year earlier, an increase of 7.0%. The increase was attributable chiefly to growth in customer transactions at LCL in the amount of +€9.2 billion.

Loans and receivables due from credit institutions also increased, to €438.6 billion (6.2%) at 31 December 2019 compared with €412.9 billion at end-2018. The 25.6 billion increase was primarily due to the centralisation of *Livret A / Livret A Livret de Développement Durable et Solidaire* passbooks at CDC as well as global advances to finance the Regional Banks' lending activity (+€21.7 billion).

Refer to the glossary page 647 for the definition of the technical terms.

Amounts due to credit institutions and customers totalled €789 billion at end-2019, up 8.2% or +€60.0 billion compared with end-2018.

Amounts due to credit institutions rose +€10.1 billion to €142 billion (+7.6%). This increase was due mainly to the Regional Banks (+€8.0 billion).

Amounts due to customers rose +€49.7 billion (+8.3%) to €646.9 billion. This rise was due to Crédit Agricole S.A., which saw a high level of deposits on regulated savings (+€12 billion on passbook accounts, *Livret A* accounts and home-purchase savings plans). CACIB for +€10 billion, to LCL for +€11.3 billion and CACEIS for +€11.0 billion related to ongoing business.

Financial assets at fair value through profit or loss amounted to €399.4 billion at 31 December 2019, a rise of 9.3% year-on-year, *i.e.* +€34.0 billion.

Financial liabilities at fair value through profit or loss amounted to €246.7 billion at 31 December 2019, up +€18.6 billion year-on-year (+6.6%).

Financial assets at fair value through other comprehensive income stood at €261.3 billion at end-December 2019.

Debt securities stood at €72.5 billion at end-December 2018 vs. 57.7 billion in 2019, up €14.7 billion due to CACIB, where bonds and other fixed-income securities have increased (+€9.7 billion). This class was launched with the implementation of IFRS 9 and the disappearance of the "available-for-sale financial assets" and "held-to-maturity financial assets" classes.

The amount of **investments in equity-accounted entities** stood at €7.2 billion at end-2019, an increase of 12%.

Hedging derivatives recorded increases of+35% in assets and +10% 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 €356.1 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.

The **debt securities** increase year-on-year 9.0% to amount to €201.0 billion at end-2019.

Equity amounted to €70.8 billion at 31 December 2019, a year-on-year increase of 8%. Equity – Group share were also up (7%) to €62.9 billion at end-2019, mainly reflecting the inclusion of income for the year (+€4.8 billion) and dividends (-€2.0 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 0.27%, unchanged from financial year 2018.

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 S.A. 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[2], 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.

(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.

(2) 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 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.

Only the Bank of Japan, which knows the collateral damage of excesses, will not be tempted.

Once again, everything is contributing to keeping core long-term rates low: materialisation of economic slowdowns, painless inflation, accommodative monetary policies, and a climate marked by proven or latent risks. Our scenario assumes long (10-year) sovereign rates at 1.60% and -0.45% in December 2020 for the United States and Germany, respectively. This will not serve to displease the risk premiums of the "peripheral" bond markets and the equity markets: their resilience will determine the wealth effect and household consumption, an essential ingredient in a scenario of slowdown rather than a collapse in growth.

Recent events

Main objectives of the 2022 Medium-Term Plan

On 6 June 2019, Crédit Agricole Group announced its **draft Group** and its **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' 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 and for Crédit Agricole S.A., exceed 16% and 11%, respectively, take into account the 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 Group's capital structure will be completed with the partial unwinding of Switch for Insurances, 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.

Crédit Agricole S.A. – 2022 financial targets

Growth of Net income Group	> +3% per year (CAGR 2018-2022) >€5 billion
RoTE	11%-12%
Cost/Income ratio (without SRF)	<60%
Cost of Risk Assumption	~40 basis points
CET1	11% *>16% for Crédit Agricole Group*
Distribution rate	50% in cash

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 organisation 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 S.A. by more than 2 percentage points to achieve under 60% by 2022).

Implementation of MTP 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 Net Promoter Score, 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*

Refer to the glossary page 647 for the definition of the technical terms.

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 in Italy, with 1,800,000 individual customers and entrepreneurs[(1)] (of which more than 1,650,000 individual customers and entrepreneurs in France). Business capital is also growing, with 370,000 customers (of which more than 330,000 in France) in 2019, including 280,000 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 will implement the transition rating this year and 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 the transition ratings will enable more precise identification of the potential effects of climate change on our financing portfolios and the development of 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 on 27 November 2019 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.

On 21 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 : inclus les professionnels – Caisses régionales : inclus les professionnels, agriculteurs, petites entreprises et associations.

Refer to the glossary page 647 for the definition of the technical terms.

INFORMATION ON CRÉDIT AGRICOLE S.A.'S FINANCIAL STATEMENTS (CORPORATE ENTITY)

ANALYSIS OF CRÉDIT AGRICOLE S.A.'S RESULTS (CORPORATE ENTITY)

At 31 December 2019, Crédit Agricole S.A. revenues (NBI) stood at €1,501 million, down **-€1,407** million on 2018.

This change was attributable to:

- a **-€265** million reduction in the interest margin, mainly due to early repayments on loans and receivables to the Regional Banks, resulting in a -€84 million in early repayments of loans and advances to the Regional Banks, an increase in interest paid on deposits, particularly on *Livret A* and PEL passbook savings accounts (-€76 million) and an increase in the provision for home purchase savings plans (-€80 million) as a result of updated calculation parameters;
- a **-€1,148** million decrease in income from variable-income securities (primarily dividends from subsidiaries and equity investments) due to a decrease in dividends paid by Crédit Agricole CIB and Crédit Agricole Assurances of €727, and €535 million, respectively, offset by a €87 fall in dividends received from Amundi and CACEIS;
- a **+€121** million increase in net fees and commissions, mainly attributable to a +€66 million increase in commissions received under the mechanism to pool funds held in special savings accounts collected by the Regional Banks (mainly home purchase savings schemes) and then reinvested by Crédit Agricole S.A. with the CDC. There was also a +€49 million change in liquidity commissions during the financial year, following a reduction in the Regional Banks' cash surpluses;
- a **+€79** million increase in net income from the trading book, mainly due to a +€53 million change in gains on foreign exchange positions of AT1 securities issued in foreign currency, as well as the disposal of treasury shares held in connection with the share price liquidity contract for €20 million;
- a change in the investment and similar portfolios of **-€160** million corresponding mainly to the capital gain of +€174 million generated in 2018 following the early redemption by Crédit Agricole Assurances of Tier 2 deeply subordinated notes;
- a **-€34** million decrease in other banking income.

At 31 December 2019, Crédit Agricole S.A. recognised €778 million in operating expenses, up **-€41** million compared to 2018.

As a result of these changes, gross operating income recorded a gain of €716 million at 31 December 2019, a decline of **-€1,445** million compared to financial year 2018.

The cost of risk amounted to -€13 million for 2019, an increase of **-€4** million compared to financial year 2018.

"Net gains (losses) on fixed assets" amounted to a loss of -€292 million in 2019 down **-€282** million year-on-year, following the discounting of impairment losses on equity investments, mainly related to:

- a negative effect of €852 million on LCL (charge of -€496 million in 2019 compared to a reversal of +€356 million in 2018);
- a negative effect of €32 million on IUB Holding (charge of -€36 million in 2019 compared to a charge of -€4 million in 2018);
- a negative effect of €18 million on Crédit Agricole Egypt (reversal of +€18 million in 2018);
- a positive effect of €344 million on Crédit Agricole Italia (charge of -€344 million in 2018);
- a positive effect of €88 million on Crédit Agricole Polska (reversal of +€37 million in 2019) compared to -€51 million in 2018);
- a positive effect of €54 million on Crédit Agricole Srbija Ad Novi SAD (reversal of +€34 million in 2019) compared to -€20 million in 2018);
- a positive effect of €51 million on EFL (reversal of +€28 million in 2019) compared to -€23 million in 2018);
- a positive effect of €26 million on Crédit Agricole Ukraine (reversal of +€60 million in 2019) compared to a reversal of +€33 million in 2018).

The income tax charge stood at €1,644 million, **+€1,006** million up on2018. Crédit Agricole S.A. received a favourable decision from the French Council of State on 8 November 2019 in connection with its dispute about Emporiki with the tax authorities. As all avenues of appeal have been exhausted, the amounts paid by the tax authorities have been definitively acquired by Crédit Agricole S.A., generating an income of €984 million.

Overall, the net income of Crédit Agricole S.A. amounted to **+€2,016** million at 31 December 2019.

Refer to the glossary page 647 for the definition of the technical terms.

FIVE-YEAR FINANCIAL SUMMARY

	2015	2016	2017	2018	2019
Equity at year end *(in euros)*	**7,917,980,871**	**8,538,313,578**	**8,538,313,578**	**8,599,311,468**	**8,654,066,136**
Number of shares outstanding	2,639,326,957	2,846,104,526	2,846,104,526	2,866,437,156	2,884,688,712
OPERATIONS AND NET INCOME FOR THE PERIOD *(in millions of euros)*					
Gross revenues	15.792	15.112	14.296	15.138	13,410
Earnings before tax, employee profit-sharing, depreciation, amortisation and provision expense	1.501	12.916	815	2.172	963
EMPLOYEE PROFIT-SHARING	**1**	**2**	**2**	**1**	**2**
Income tax charge	(1.357)	(213)	(255)	(638)	(1,644)
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	1.446	13.819	1.564	2.740	2,016
Earnings proposed for distribution at the date of the General Meeting of Shareholders	1.593	1.718	1.804	1.978	2,019
EARNINGS PER SHARE *(in euros)*					
Earnings after tax and employee profit-sharing but before depreciation, amortisation and provision expense	1.082	4.462	0.375	0.980	0.903(1)
Earnings after tax, employee profit-sharing, depreciation, amortisation and provision expense	0.548	4.855	0.550	0.956	0.822
Ordinary dividend	0.60	0.60	0.63	0.69	0.70
Loyalty dividend	0.66	0.66	0.693	-	-
EMPLOYEES					
Average headcount(2)	2.251	2.238	2.148	1.776	1,685
Total payroll for the period *(in millions of euros)*	191	186	190	171	165
Cost of benefits paid during the period (costs and social welfare) *(in millions of euros)*	156	145	133	92	111

(1) Calculated based on the number of shares issued as of the General Meeting of Shareholders on 21 May 2019, or 2,866,437,156 shares.

(2) Refers to headquarters employees.

5 RISKS AND PILLAR 3

Refer to the glossary page 647 for the definition of the technical terms.

A constrained regulatory context an effective control of risks

SOLVENCY RATIOS

CET1 RATIO

12.1%

TLAC

22.6%

excluding senior debt

FINANCIAL CONGLOMERATE RATIO

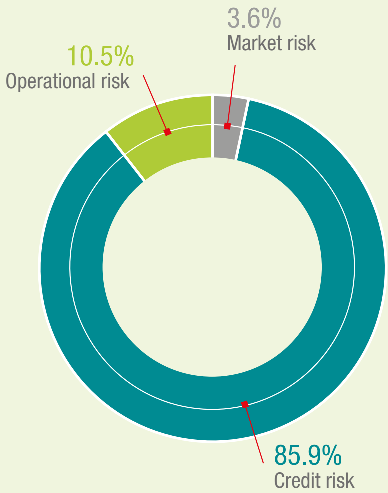
172%

PHASED-IN LEVERAGE RATIO

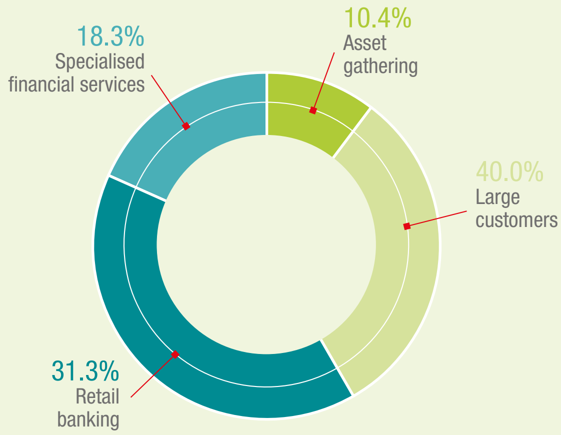
4.2%

RISK-WEIGHTED ASSETS

BREAKDOWN BY RISK TYPE

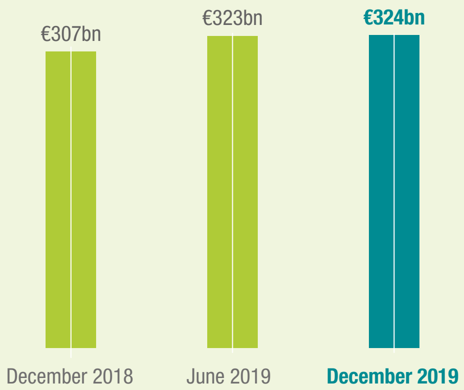


BREAKDOWN BY BUSINESS LINE



CHANGES OVER ONE YEAR

(in billion euros)



Refer to the glossary page 647 for the definition of the technical terms.

1. RISK FACTORS

This part of the Universal Registration Document sets out the main types of risks to which Crédit Agricole S.A. is exposed, as well as certain risks related to holding Crédit Agricole S.A. securities. Other parts of this chapter discuss Crédit Agricole S.A.'s risk appetite and the policies employed to manage these risks. The information on the management of Crédit Agricole S.A.'s risks is presented in accordance with IFRS 7, relating to disclosures on financial instruments.

Bearing in mind the structure of Crédit Agricole S.A. and Crédit Agricole S.A., 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 7 "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 S.A. as described below.

Moreover, Crédit Agricole S.A. is exposed to other risks measured through the ICAAP reporting.

Risks specific to Crédit Agricole S.A.'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 S.A. operates, (v) risks related to strategy and transactions of Crédit Agricole S.A., and (vi) risks related to the structure of Crédit Agricole S.A.

Within each of the six categories, the risks that Crédit Agricole S.A. 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 S.A. if it were to materialise in the future.

The main types of risks specific to Crédit Agricole S.A. activity are presented below and are explained through risk-weighted assets or other indicators when risk-weighted assets are not appropriate.

Credit risk: credit risk is defined as the probability that borrowers or counterparties will default on their obligations to the bank in accordance with agreed terms. The assessment of the probability of default and the recovery rate of a loan or receivable in the event of default is an essential element in the assessment of credit quality. Risk-weighted assets specific to this risk amounted to €245.5 billion as at 31 December 2019. In accordance with the recommendations of the European banking Authority, this risk also includes risks on equity investments, including those related to insurance activities.

Operational risk: operational risk is the risk of loss resulting from faulty or inadequate internal processes (particularly those involving staff and IT systems) or from external events, whether deliberate, accidental or natural (floods, fires, earthquakes, terrorist attacks, etc.). Operational risk includes fraud, human resource risks, legal and reputational risks, compliance risks, tax risks, information systems risks, providing of inappropriate financial services (conduct risk), risks of failure of business processes including credit processes, or the use of a model (model risk), as well as potential financial consequences related to the management of reputational risk. Risk-weighted assets specific to this risk amounted to €34.0 billion as at 31 December 2019.

Counterparty risk: counterparty risk is the manifestation of credit risk in connection with market transactions, investments and/or regulations. The amount of this risk varies over time with changes in market parameters affecting the potential future value of the transactions concerned. Risk-weighted assets specific to this risk amounted to €20.6 billion as at 31 December 2019.

Market risk: market risk is the risk of loss of value caused by an unfavourable change in prices or market parameters. Market parameters include, but are not limited to, exchange rates, prices of marketable securities and commodities (whether the price is directly quoted or obtained by reference to a similar asset), the price of derivatives on a regulated market, as well as all parameters that may be derived from market quotations such as interest rates, credit spreads, volatilities or implied correlations or other similar parameters. Risk-weighted assets specific to this risk amounted to €11.6 billion as at 31 December 2019.

Banking portfolio securitisation risk: securitisation is a transaction or arrangement whereby the credit risk associated with an exposure or set of exposures is subdivided into tranches. Any commitment entered into as part of a securitisation structure (including derivatives and liquidity facilities) is considered a securitisation exposure. Most of these commitments are found in the prudential banking portfolio. Risk-weighted assets specific to this risk amounted to €7.7 billion as at 31 December 2019.

Financial risk: financial risk covers risks related to the environment in which Crédit Agricole S.A. operates, namely interest rate risk, liquidity risk, risks related to deferred tax. In addition, financial risk also includes risks related to the Crédit Agricole S.A. activities, in particular through its asset management and insurance division. Lastly, financial risk covers the risks in securities portfolios and of issuing equity securities.

Risks related to deferred tax and certain investments in credit or financial institutions: amounts below the prudential capital deduction thresholds generate risk-weighted assets which amounted to €4.4 billion as at 31 December 2019.

Liquidity risk: liquidity risk is the risk that the bank may not be able to honour its commitments or unwind or offset a position within a given period of time and at a reasonable cost, due to market conditions or factors specific to the bank. It reflects the risk of not being able to meet net cash outflows, including those related to collateral requirements, over all horizons from short to long term. The Crédit Agricole S.A. specific risk can be assessed in particular through the Short-Term Liquidity Ratio (*Ratio de Liquidité à Court terme* – LCR), which analyses the coverage of net cash outflows in a 30-day stress scenario.

The risks to which Crédit Agricole S.A. is exposed may arise from a number of factors, including changes in its macro-economic, competitive, market and regulatory environment or factors relating to the implementation of its strategy, its business or its operations.

These risk factors are described below.

Refer to the glossary page 647 for the definition of the technical terms.

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

1. Credit and counterparty risks

a) The Crédit Agricole S.A. 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 S.A. is exposed. Credit risk impacts Crédit Agricole S.A.'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 S.A. may be required to record significant charges and provisions for possible bad and doubtful loans, affecting its profitability.

While Crédit Agricole S.A. 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 S.A. 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 S.A.'s overall credit risk is covered by these techniques. Accordingly, Crédit Agricole S.A. has significant exposure to the risk of counterparty default.

As at 31 December 2019, the exposure of Crédit Agricole S.A. to credit and counterparty risks (including dilution risk and settlement delivery risk) was €1,438.4 billion before taking into account risk mitigation methods. This is distributed as follows: 16% retail customers, 30% corporates, 18% governments and 31% credit institutions and investment firms. Moreover, the amounts of risk-weighted assets (RWAs) relating to credit risk and counterparty risk to which Crédit Agricole S.A. is exposed were €245.5 billion and €20.6 billion, respectively, as at 31 December 2019. At that period-end, the balance of loans and receivables in default and written down (impaired) was €13.9 billion.

Please refer to paragraph 3.4.1.1 Risk-weighted assets by type of risks of Chapter 5 (Risks and Pillar 3) on page 324 of the 2019 Universal Registration Document for quantitative information of Crédit Agricole S.A. to credit risk and counterparty risk. Please also refer to table CR2-B page 343 of Pillar 3 of Crédit Agricole S.A. as at 31 December 2019.

b) Any significant increase in provisions for loan losses or changes in Crédit Agricole S.A.'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 S.A. 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 S.A.'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 S.A. 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 S.A.'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 S.A.'s results of operations and financial position.

As at 31 December 2019, the gross outstanding loans, receivables and debt securities of Crédit Agricole S.A. were €906 billion. With regard to credit risk, the amounts of reserves, accumulated impairments and related adjustments amounted to €1.26 billion. Cost of risk on receivables is limited to 32 basis points on a four rolling quarter basis at end 2019.

Please refer to Note 4.9 to the consolidated financial statements on page 467 of 2019 URD for quantitative information on the cost of risk of Crédit Agricole S.A.

c) A deterioration in the quality of corporate debt obligations could adversely impact Crédit Agricole S.A.'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 S.A. 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 S.A.'s profitability and financial position.

As at 31 December 2019, Crédit Agricole S.A.'s gross exposure to sectors other than general government, banking, insurance and private individuals amounted to €407.4 billion (of which €5.1 billion in default) and was provisioned for nearly €3.6 billion.

Please refer to paragraph 3.4.2.1.5 of Chapter 5 (Risks and Pillar 3) on pages 337 and 338 of the 2019 Universal Registration Document for quantitative information on the exposure of Crédit Agricole S.A. to credit risk.

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

The Crédit Agricole S.A.'s exposures are very diversified due to its comprehensive customer-focused universal banking activities. In addition, at end-December 2019, the gross credit exposures of Crédit Agricole S.A. in the "private individuals" sector amounted to €201.4 billion, or almost 14% of its credit risk exposures. Moreover, Crédit Agricole S.A. 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, 20.8% and 19.4%, respectively, of Crédit Agricole S.A.'s commercial loan book involved borrowers in the public sector, (including local authorities), representing an amount of approximately €176 billion, as well as 14% and 13%, respectively, borrowers in the energy sector, representing an amount of approximately €61.6 billion, or almost 7.3% of its credit risk exposures. 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 S.A.'s portfolio were to experience adverse conditions, Crédit Agricole S.A.'s profitability and financial position could be adversely affected.

Please refer to the IFRS 7 exposures published under Risk Management in Chapter 5 (Risks and Pillar 3) on page 270 of the 2019 Universal Registration Document, to paragraph 2.4.III.2.2 (Diversification of the portfolio by sector of economic activity) of Chapter 5 (Risks and Pillar 3) on pages 232 and 233 of the 2019 Registration Document for quantitative information on the sectors represented in the commercial loan book of Crédit Agricole S.A.

e) The soundness and conduct of other financial institutions and market participants could adversely affect Crédit Agricole S.A.

Crédit Agricole S.A. 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 S.A. 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 S.A. to credit risk in the event of default or financial distress. In addition, Crédit Agricole S.A.'s credit risk may be exacerbated when the collateral held by Crédit Agricole S.A. 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 S.A.'s gross exposures to Credit and similar institutions counterparties was €449 billion, of which €404 billion under the internal ratings-based method. In terms of credit risk, 90% of the exposures treated using this method representing €16.5 billion of RWAs.

Please refer to Note 3.1.3 (Concentrations of credit risk) of Risk and Pillar 3 of the 2019 Universal Registration Document for quantitative information on Crédit Agricole S.A.'s exposure to credit institutions.

f) The Crédit Agricole S.A. is exposed to country risk and may be vulnerable to concentrated counterparty risk in certain countries where it operates

The Crédit Agricole S.A. is specifically exposed in absolute value to the country risk for France and Italy. In terms of absolute value, Crédit Agricole S.A. is most exposed to France and Italy. At 31 December 2019, Crédit Agricole S.A.'s exposure amounted to €417 and €104 billion respectively, representing respectively 49% and 12% of the exposure over the period.

The Crédit Agricole S.A. 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 S.A. 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, 49% as in 2018, respectively, of Crédit Agricole S.A.'s commercial loan book was represented by borrowers in France, and 12% and 13%, respectively, by borrowers in Italy. Adverse conditions that particularly affect these countries would have a particularly significant impact on Crédit Agricole S.A.. In addition, Crédit Agricole S.A. 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.

Please refer to paragraph 2.4.III.2.1 (Diversification of exposure of the portfolio by geographic area) and 2.4.III.2.4 (Exposure to country risk) in Chapter 5 (Risks and Pillar 3) on pages 269 and 270 of the 2019 Universal Registration Document for quantitative information on the geographic breakdown of the exposure of Crédit Agricole S.A.

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

Crédit Agricole S.A. could suffer losses in the event of a counterparty defaulting in its securities, currency, commodities and other market activities. When Crédit Agricole S.A. 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, Crédit Agricole S.A.; is exposed to the risk of a counterparty defaulting in the execution of its transaction settlement obligations. Crédit Agricole S.A.'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 8.309 billion euros at 31 December 2019. Although Crédit Agricole S.A. 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 S.A. may incur significant losses due to the failure of major counterparties.

Please refer to paragraph 3.4.1.1 Risk-weighted assets by type of risks of Chapter 5 (Risks and Pillar 3) on page 324 of the 2019 Universal registration document of Crédit Agricole S.A.

2. Financial risks

a) The Crédit Agricole S.A. 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 S.A.'s revenues from these businesses. Over the course of the financial year ended 31 December 2019, 17% and 13% of the revenues of Crédit Agricole S.A. were generated from its asset and wealth management and insurance businesses. The Crédit Agricole S.A. 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 S.A..

Refer to the glossary page 647 for the definition of the technical terms.

In addition, financial and economic conditions affect the number and size of transactions for which Crédit Agricole S.A. provides securities underwriting, financial advisory and other investment banking services. The Crédit Agricole S.A.'s revenues, which include fees from these services, are directly related to the number and size of the transactions in which Crédit Agricole S.A. participates and can thus be significantly affected by market downturns. Moreover, because the fees that Crédit Agricole S.A.'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 S.A.'s customers, would reduce the revenues that Crédit Agricole S.A.'s members receive for these services.

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

Please refer to the note 5.1 of the consolidated accounts on page 473 of the 2019 Universal Registration Document.

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

The Crédit Agricole S.A. is one of the leaders in retail banking and is exposed to low interest rate risk.

The amount of net interest income earned by Crédit Agricole S.A. 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 S.A.'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 €41.1 million on the banking portfolio at 31 December 2019, amounting to a 0.20% decline in revenues for 2019 (compared to a decrease of €19.8 million, or 0.10% 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 -€215 million, or 0.38% of the regulatory capital of Crédit Agricole S.A. (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.

Please refer to paragraph 2.6.II.4 (exposure) of Chapter 5 (Risks and Pillar 3) on page 269 of the 2019 Universal Registration Document for quantitative information on the exposure of Crédit Agricole S.A. global interest rate risk.

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

The carrying amount of Crédit Agricole S.A.'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 S.A.'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 S.A. 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 S.A.. All fair value adjustments affect shareholders' equity and, as a result, the capital adequacy ratios of Crédit Agricole S.A.. 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 S.A. were close to €104.5 billion. Accumulated impairments and reserves and negative fair value adjustments due to credit risk were €79 million.

Please refer to paragraph 3.4.2.1.5 (Default exposure and carrying amount adjustments) of the section "Pillar 3 disclosures" of Chapter 5 (Management Report) on page 337 of the 2019 Universal Registration Document for quantitative information on the carrying amount adjustments undertaken by Crédit Agricole S.A.

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

Equity securities held by Crédit Agricole S.A. could decline in value, causing losses for Crédit Agricole S.A.. The Crédit Agricole S.A. 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 S.A. In the case of strategic equity investments, Crédit Agricole S.A.'s degree of control may be limited, and any disagreement with other shareholders or with management may adversely impact the ability of Crédit Agricole S.A. to influence the policies of the relevant entity. If Crédit Agricole S.A.'s equity securities decline in value significantly, Crédit Agricole S.A. 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 S.A. held close to €45.7 billion in equity instruments, of which €36.3 billion were recorded at fair value through profit or loss; €6.9 billion were held for trading purposes and €2.5 billion in equity instruments recognised at fair value through equity.

Please refer to Notes 6.2 and 6.4 to the consolidated financial statements in Chapter 6 (Consolidated financial statements) on pages 479-480 of the 2019 Universal Registration Document for information on the value of capital securities held by Crédit Agricole S.A.

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

The Crédit Agricole S.A. 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 S.A.'s assets is uncertain and, if Crédit Agricole S.A. 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 S.A. 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 S.A. 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 S.A.'s LCR (Liquidity Coverage Ratio - the prudential ratio to ensure the short-term resilience of the liquidity risk profile) was 131.6% greater than the regulatory minimum of 100%, and greater than the goal of 110% under the medium-term Plan (See 2019 Universal Registration Document at 31 December 2019, page 284).

Please refer to paragraph 3.6.IV (Liquidity and financing risk) in Chapter 5 (Risks and Pillar 3) on pages 244-247 of the 2019 Universal Registration Document, in paragraph "Liquidity and Refinancing" in the "Financial position" section for quantitative information on the exposure to liquidity and assets and liabilities management.

In some of Crédit Agricole S.A.'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 S.A. cannot close out deteriorating positions in a timely manner. This may especially be the case of assets held by Crédit Agricole S.A. 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 S.A. 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 S.A. did not anticipate.

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

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

It also carries out stress tests in order to quantify its potential exposure in extreme scenarios, as described and quantified in paragraphs 2.5.III.1 *(Methodology for measuring and managing market risks – Indicators)* and 2.5.IV *(Exposures)* in Chapter 5 *(Risks and Pillar 3)* on pages 277-279 and pages 281-282, respectively, of the 2019 Universal Registration Document. 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 S.A.'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 S.A. is exposed was €11.6 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 -€1,140 million and, prudentially, a decrease in CET1 capital of -€678 million, as well as an RWA increase of +€350 million resulting in a -25 basis points decrease of the CET1 ratio.

h) The Crédit Agricole S.A.'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).

Please refer to paragraph 2.4.II.4.3 (Risk management) of Chapter 5 (Risks and Pillar 3) on pages 255-301 of the 2019 Universal Registration Document on the risk hedging strategies of Crédit Agricole S.A.

3. Operational risks and associated risks

The **operational risk** of Crédit Agricole S.A. 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 S.A. were divided as follows: the "Implementation, delivery and process management" category represents 8.3% of the operational loss, the "Customers, products and business practices" category represents 53.0% of the operational loss, and the "External fraud" category represents 4.3% of the operational loss. Other operational risk incidents can be broken down into employment and safety practice (1.4%), internal fraud (25.5%), business disruptions and system failures (6.7%) and damage to tangible assets (1.1%). In addition, the amount of risk-weighted assets (RWAs) relating to operational risk to which Crédit Agricole S.A. is exposed was €34.0 billion as at 31 December 2019.

Please refer to paragraph 2.8 of the "Risk management" section in Chapter 4 (Management Report) on page 294 of 2019 Universal Registration Document.

a) The Crédit Agricole S.A. 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 S.A. continues to deploy its multichannel model as part of a lasting relationship with its customers. In this context, Crédit Agricole S.A. 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 S.A. 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 S.A.'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 S.A., 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 S.A. 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 S.A. 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 S.A. may also become increasingly exposed to the risk of operational failure of its customers' information systems. The Crédit Agricole S.A.'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 S.A. 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 6.7% of operational losses.

b) The Crédit Agricole S.A. is exposed to the risk of fraud

The mission of the Compliance function is to protect the bank, its employees and its customers, in particular by combating financial crime and more particularly by preventing money laundering, terrorist financing and fraud.

The highest level of governance is invested in matters of combating financial crime: the Board of Directors of Crédit Agricole S.A. and the boards of directors of subsidiaries. It is under the supervision of these bodies that dedicated systems are implemented involving the Executive Committee of Crédit Agricole S.A., and that of each Crédit Agricole S.A. entity.

In a context of increasing attempts at external fraud and of more complex operating methods (notably via cybercrime), the main challenges now lie in the proactivity of banking players. Fraud prevention thus aims to protect the interests of the Bank and protect customers. The fraud prevention system has been deployed in all Crédit Agricole group entities since 2018. An organization with a Compliance/Fraud and Corruption Prevention business line is in place. Actions have been continued to control the risks of fraud in terms of steering the system, prevention and detection. Tools have been deployed to combat fraud in means of payment and fraudulent transfers. The awareness component is also essential to multiply vigilance measures.

At the end of 2019, the amount of proven fraud for Crédit Agricole S.A. and its subsidiaries amounted to €78 million. Retail banking accounts for over 85% of total fraud through both identity and document fraud and means of payment fraud.

c) The Crédit Agricole S.A.'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 S.A.'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 S.A. do not guarantee effective risk reduction in all market configurations. These procedures may not be effective against certain risks, particularly those that Crédit Agricole S.A. has not previously identified or anticipated. Some of the qualitative tools and metrics used by Crédit Agricole S.A. for managing risk are based upon its use of observed historical market behaviour. Crédit Agricole S.A. 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 S.A.. 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 S.A.'s losses could therefore be significantly greater than those anticipated based on historical measures. In addition, certain of the processes that Crédit Agricole S.A. 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 S.A. may not be comprehensive and could lead Crédit Agricole S.A. 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 S.A. had own funds requirements of €2.7 billion to cover the estimated loss relating to its operating risks.

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

The Crédit Agricole S.A.'s business depends in large part on the maintenance of a strong reputation in compliance and ethics. If Crédit Agricole S.A. were to become subject to legal proceedings or adverse publicity relating to compliance or similar issues, Crédit Agricole S.A.'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 S.A.'s reputation could also be damaged by an employee's misconduct or fraud or embezzlement by financial intermediaries. Any damage to Crédit Agricole S.A.'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 S.A. 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 S.A. 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 S.A. 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 S.A., these proceedings can result in awards of high damages, fines and penalties. Legal and regulatory proceedings to which Crédit Agricole S.A. 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 S.A. in many cases has substantial defences, even where the outcome of a legal or regulatory proceeding is ultimately favourable, Crédit Agricole S.A. 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 S.A. had no costs for legal risk for financial year 2019. Litigation amounted to €607 million at end 2019.

Please refer to paragraph 3.9 (Changes in legal risks) in Chapter 5 (Risks and Pillar 3) on pages 296-299 of the Universal Registration Document for further information concerning ongoing legal, arbitration or administrative proceedings in which Crédit Agricole S.A. is involved, and to Note 6.18 Provisions of the consolidated financial statements of Chapter 6 (consolidated financial statements) on pages 503-507 of the 2019 Universal Registration Document for further information concerning ongoing legal, arbitration or administrative proceedings in which Crédit Agricole S.A. is involved.

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

The international scope of Crédit Agricole S.A.'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 S.A. 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 S.A., result in litigation, civil or criminal penalties, or otherwise have a material adverse effect on its business.

To illustrate, in October 2015, Crédit Agricole S.A. 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 S.A., 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 S.A. 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 S.A.'s policies may be identified, potentially resulting in penalties. The Crédit Agricole S.A. 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 S.A. 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, 68% of the net banking revenues (excluding intercompany disposals) of Crédit Agricole S.A. came from its two main locations (France and Italy).

Please refer to note 5.2 of Chapter 6 (consolidated financial statements) on page 474 of the 2019 Universal Registration Document for quantitative information on the geographical breakdown of the revenues of Crédit Agricole S.A.

Refer to the glossary page 647 for the definition of the technical terms.

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

a) 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, 53% of Crédit Agricole S.A.'s revenues were generated in France, 15% in Italy, 19% in the rest of Europe and 13% 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.

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.

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.

- 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.

b) The Crédit Agricole S.A.'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 S.A.'s profitability may be materially affected. During periods of low interest rates, interest rate spreads tend to tighten, and Crédit Agricole S.A. 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 S.A.'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 S.A., 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 S.A. was 13%. Low interest rates may also affect commissions charged by the members of Crédit Agricole S.A. 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 S.A. was 7%. In addition, given lower interest rates, the members of Crédit Agricole S.A. 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 S.A. 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 S.A. and the overall financial position of Crédit Agricole S.A.*

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 S.A. 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 S.A.'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 S.A.'s hedging strategies are ineffective or provide only a partial hedge against such a change in value, Crédit Agricole S.A. 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 S.A., 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 S.A.'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.

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

A variety of regulatory and supervisory regimes apply to Crédit Agricole S.A. in each of the jurisdictions in which Crédit Agricole S.A. operates.

To illustrate, such regulations pertain to, in particular:

- regulatory and supervisory requirements applicable to credit institutions, including prudential rules on capital adequacy and minimum capital and liquidity requirements, risk diversification, governance, restrictions on the acquisition of holdings and compensation (CRR and CRD4);
- rules applicable to banking turnaround and resolution (BRRD);
- regulations governing financial instruments (including Bonds), as well as rules relating to financial information, disclosure and market abuse (MAR);
- monetary, liquidity, interest rate and other policies of central banks and regulatory authorities;
- regulations governing certain types of transactions and investments, such as derivatives, securities financing and money market funds (EMIR);
- regulations of market infrastructures, such as trading platforms, central counterparties, central securities depositories and securities settlement systems;
- tax and accounting legislation, as well as rules and procedures relating to internal control, risk management and compliance;
- the regulations applicable to the disclosure of information relating to sustainable finance (with in particular the declaration of extra-financial performance).

In addition, Crédit Agricole S.A. is supervised by the ECB, to which a Group recovery plan is submitted each year, in accordance with applicable regulations. *For more information on the regulations applicable to Crédit Agricole S.A., please refer to the "Supervision and Regulation of Credit Institutions in France" section of this Prospectus.*

Failure to comply with these regulations could have significant consequences for Crédit Agricole S.A.: significant intervention by regulatory authorities and fines, international sanctions, public reprimand, reputational damage, enforced suspension of operations or, in extreme cases, withdrawal of authorisation to operate. In addition, regulatory constraints could significantly limit the ability of Crédit Agricole S.A. to expand its business or to pursue certain existing activities.

Furthermore, some legal and regulatory measures have come into force in recent years or could be adopted or amended with a view to introducing or reinforcing a number of changes, some permanent, in the global financial environment. While the objective of these measures is to avoid a recurrence of the global financial crisis, the new measures have changed substantially, and may continue to change, the environment in which Crédit Agricole S.A. and other financial institutions operate. The measures that have been or may be adopted include more stringent capital and liquidity requirements (particularly for large global institutions and groups such as Crédit Agricole S.A.), tax on financial transactions, caps or tax on employee compensation over specified levels, limits on the types of activities that commercial banks can undertake (particularly proprietary trading and investment and ownership in private equity funds and hedge funds), ring-fencing requirements relating to certain activities, restrictions on the types of entities permitted to conduct swaps activities, restrictions on certain types of activities or financial products such as derivatives, mandatory write-downs or conversions into equity of certain debt instruments, enhanced recovery and resolution regimes, revised risk-weighting methodologies (particularly with respect to insurance businesses), periodic stress testing and the creation of new and strengthened regulatory bodies. Some of the new measures adopted after the financial crisis are expected to be modified, impacting the predictability of the regulatory regimes to which Crédit Agricole S.A. is subject.

As a result of some of these measures, Crédit Agricole S.A. was compelled to reduce the size of certain of its activities in order to comply with the new requirements created by them. These measures have also increased compliance costs and are likely to continue to do so. In addition, some of these measures may also significantly increase Crédit Agricole S.A.'s funding costs, particularly by requiring Crédit Agricole S.A. to increase the portion of its funding consisting of capital and subordinated debt, which carry higher costs than senior debt instruments.

Refer to the glossary page 647 for the definition of the technical terms.

In addition, the general political environment has evolved unfavourably for banks and the financial industry, resulting in additional pressure on legislative and regulatory bodies to adopt more stringent regulatory measures, despite the fact that these measures can have adverse consequences on lending and other financial activities, and on the economy. Because of the continuing uncertainty regarding the new legal and regulatory measures, it is not possible to predict what impact they will have on Crédit Agricole S.A. but it could be very material.

5. Risk related to the strategy and transactions of Crédit Agricole S.A.

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

On 6 June 2019, Crédit Agricole S.A. 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 S.A.'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 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 S.A. 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 S.A. plans, at the end of 2022, to achieve a net profit of more than 5 billion euros, to achieve a ROTE of more than 11%, to have a solvency of 11% and to dismantle 50% of the Switch mechanism.

The plan's success depends on a very large number of initiatives (both significant and modest in scope) within different Crédit Agricole S.A. 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 S.A. fails to achieve the targets of its medium-term Plan, its financial position and results of operations could be materially adversely affected.

The Crédit Agricole S.A. 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).

b) Claims made against subsidiaries of Crédit Agricole S.A.'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 S.A. 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 S.A.'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 S.A.'s businesses simultaneously

While each of Crédit Agricole S.A.'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 S.A.'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 S.A. 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 S.A. 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 S.A.'s commission-generating activities. Where an event adversely affects multiple activities, the impact on the result and financial position of Crédit Agricole S.A. is all the more important.

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A., 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 S.A. 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 S.A. or Crédit Agricole CIB, increase borrowing costs, limit access to the capital markets, trigger obligations in Crédit Agricole S.A.'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 S.A.'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 S.A.'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 S.A. creditworthiness. In addition, credit spreads may be influenced by movements in the acquisition cost of credit default swaps indexed to Crédit Agricole S.A.'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 S.A. and Crédit Agricole CIB.

The three rating agencies solicited by the Group found that the outlook is stable, guaranteeing the stability of the Group's rating. 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 S.A. 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. 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.

Please refer to the presentation on the Retail banking activities on page 7 of the 2019 Universal Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

6. Risks related to the structure of Crédit Agricole S.A.

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.

Refer to the glossary page 647 for the definition of the technical terms.

2. 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;
- legal risks;
- non-compliance risks.

In accordance with legislation and best professional practices, risk management within Crédit Agricole S.A. 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 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 Group could theoretically take on without infringing its operational or regulatory constraints.

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

Overall risk profile

The Group's business is built around the customer-focused universal banking model in Europe with a low level of defaults 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 the 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).

At 31 December 2019, the 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.

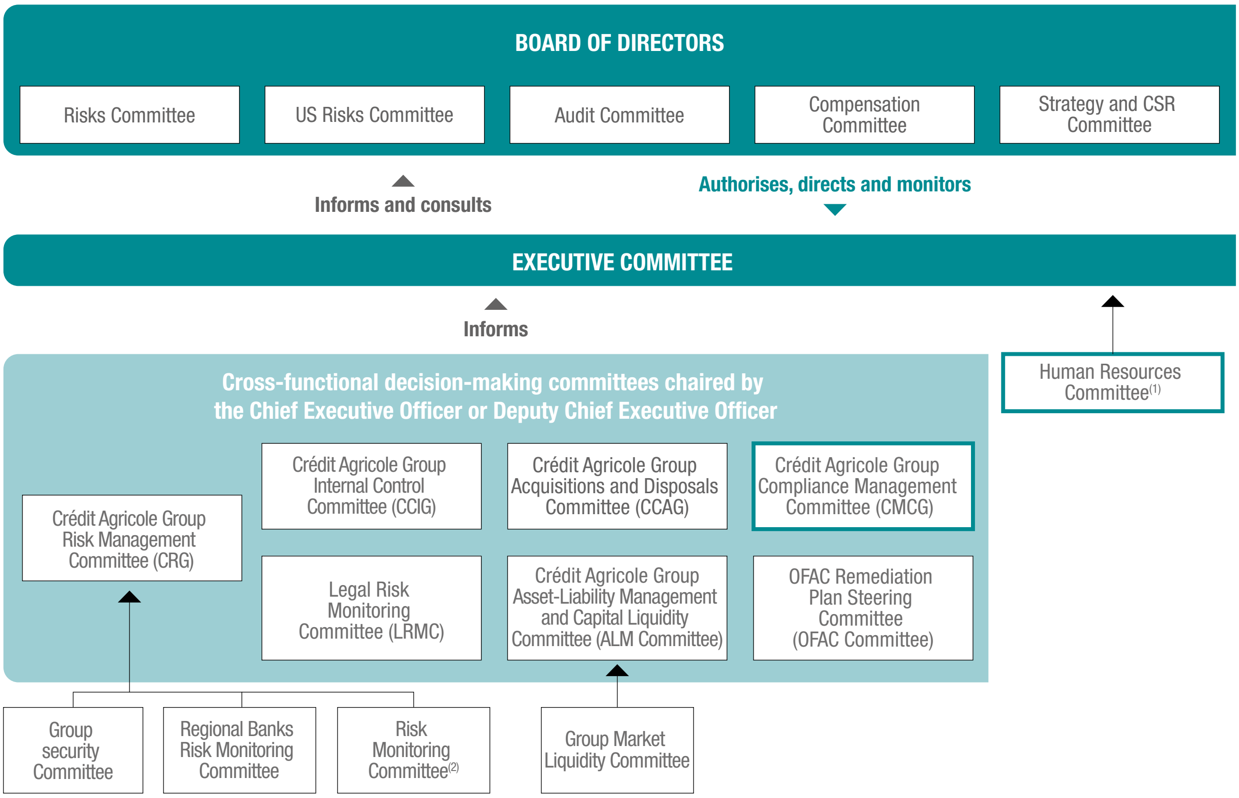
The DRG keeps the executive Directors and the supervisory body informed of the degree of risk control in Crédit Agricole S.A., presents various risk strategies of the major business lines of the Group for validation, and warns them of any risk of deviation from risk strategies or policies approved by 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* – CRG) chaired by the Chief Executive Officer of Crédit Agricole S.A.: it approves risk strategies and commitment decisions at Crédit Agricole S.A. level, on the advice of the Risk Management business line within 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;

- Liquidity and Asset Liability Committee – Crédit Agricole Group equity (ALM Committee chaired by the Chief Executive Officer of Crédit Agricole S.A., four meetings per year): it analyses the financial risks facing the Crédit Agricole Group (interest rate, exchange rate and liquidity risks) and validates the guidelines for their management;
- 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 Group operating entity 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.

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 Group credit, financial or operational risk procedures;
- 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 Group recovery plan 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.

Refer to the glossary page 647 for the definition of the technical terms.

Risk culture

The risk culture is spread right the way across the 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 and 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 Decree 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 (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's 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 the 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.

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.

(1) Article L. 511-41.

Refer to the glossary page 647 for the definition of the technical terms.

Group Internal Control Committee

The Internal Control Committee of the 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 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 department also has a "business line risk management" function in charge of the global and individualised relationship with each of the subsidiaries of Crédit Agricole S.A. The supervision of the Regional Banks' risks is carried out by a specific department of the Group Risk 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 RCPRs that are hierarchically linked to it in the performance of their duties, subject to transparency and alerting the latter to the Group Risk 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 presented for partial guarantee to Foncaris, a credit institution and wholly owned subsidiary of Crédit Agricole S.A. The obligation imposed on the Regional Banks to request a counter-guarantee from Foncaris on their main operations (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's 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.

Refer to the glossary page 647 for the definition of the technical terms.

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.'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:

- to circulate 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

Refer to the glossary page 647 for the definition of the technical terms.

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 Universal registration document, its amendements, 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 2.10 "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 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's 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 function 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 approximately 1,215 full-time equivalent employees 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 loans 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 Crédit Agricole S.A. and its subsidiaries 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 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.

Crédit Agricole Corporate and Investment bank, the Group's corporate and investment banking arm, also carries out active portfolio management, in order to reduce the main concentration risks borne by Crédit Agricole S.A.. The Group uses market instruments, such as credit derivatives or securitisation mechanisms, to reduce and diversify counterparty risk and enable it to optimise its use of 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).

Crédit Agricole S.A. and its subsidiaries 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, Crédit Agricole S.A. and its subsidiaries regularly monitor their 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 Section 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 Section 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 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 Section 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 "Credit risk mitigation mechanisms".

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 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. and its subsidiaries, to their ten largest non-sovereign, non-bank customers, amounted to 5.77% of the total non-bank commercial lending portfolio (compared with 5.62% 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 (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 [thematic] stress tests [in cooperation with the relevant business lines and entities in order to confirm the decisions related to the main risk strategies].

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 Crédit Agricole S.A. Board of Directors.

4. Credit risk mitigation mechanism

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 as security are defined by 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. and its subsidiaries 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

Crédit Agricole S.A.'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 agreements and collateral. It is shown in Note 3.1 to the financial statements.

At 31 December 2019, Crédit Agricole S.A.'s maximum exposure to credit and counterparty risk amounted to €1,387 billion (€1,327 billion at 31 December 2018), an increase of 4.5% compared to 2018.

2. Concentration

An analysis of credit risk on commercial lending commitments excluding Crédit Agricole Group internal transactions and collateral given by Crédit Agricole S.A. as part of repurchase agreements (loans and receivables to credit institutions, loans and receivables to customers, financing commitments given, and guarantee commitments given for €886.3 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 covers a total portfolio of €868.3 billion at 31 December 2019, compared with €810.6 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 Crédit Agricole S.A.

Geographic area of exposure	2019	2018
Africa and Middle East	4%	4%
Central and South America	1%	1%
North America	8%	8%
Asia and Oceania excluding Japan	5%	5%
Eastern Europe	3%	2%
Western Europe excluding Italy	14%	14%
France (retail banking)	16%	16%
France (excluding retail banking)	32%	33%
Italy	12%	13%
Japan	5%	4%
TOTAL	**100%**	**100%**

The breakdown of commercial lending by geographic area was overall unchanged. At end-2019, lending in France accounted for 49% of the total, as at end-2018. Commercial lending in Italy, the Group's second largest market, stood at 12%, versus 13% 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 €843.9 billion at 31 December 2019, versus €779.8 billion at 31 December 2018. These breakdowns reflect the business sector in which the commercial lending risk to customers is based.

Refer to the glossary page 647 for the definition of the technical terms.

Breakdown by business sector of commercial lending of Crédit Agricole S.A.

Business sector	2019	2018
Air/Space	2.1%	2.3%
Agriculture and food processing	2.2%	2.3%
Insurance	1.1%	1.5%
Automotive	2.7%	3.0%
Other non-banking financial activities	10.5%	10.2%
Other industries	1.6%	1.6%
Other transport	1.4%	1.4%
Banks	3.1%	2.9%
Wood/Paper/Packaging	0.3%	0.2%
Building and public works	1.9%	2.1%
Retail/Consumer goods industries	1.8%	2.0%
Other	3.4%	3.4%
Energy	7.3%	7.4%
o/w Oil and Gas	*4.9%*	*4.8%*
o/w Electricity	*2.4%*	*2.6%*
Real estate	3.5%	3.6%
Heavy industry	2.3%	2.3%
IT/Technology	1.4%	1.2%
Shipping	1.8%	1.8%
Media/Publishing	0.4%	0.4%
Healthcare/Pharmaceuticals	1.1%	1.1%
Non-trading services/Public sector/Local authorities	20.8%	19.4%
Telecom	1.7%	1.6%
Tourism/Hotels/Restaurants	0.8%	0.9%
Utilities	0.3%	0.3%
Retail banking customers	26.5%	27.0%
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 15% of business, as in 2018: the "Retail banking customers" business, which was the largest at 26.5% (27.0% in 2018) and the "Non-trading services/Public sector/Local authorities" business, the second largest, for which the share rose to 20.8% from 19.4% 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 €508.9 billion at 31 December 2019, compared with €479.3 billion at 31 December 2018, an increase of 3.1% in 2019. It is split mainly between large corporates and retail customers (respectively, 43.4% and 34.0%).

2.4 Exposure to country risk

At 31 December 2019, commercial lending (including to bank counterparties) to Crédit Agricole S.A. 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 €67.6 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 93% 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	23,389	1,914	6,911	16,299	19,041	**67,554**
2018	21,369	1,504	6,517	14,587	16,949	**60,926**

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. Crédit Agricole S.A.'s 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

Crédit Agricole S.A.'s 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	487,569	458,497
Past due but not impaired	7,649	7,389
Impaired	13,638	13,427
TOTAL	**508,856**	**479,313**

The portfolio of loans and receivables at 31 December 2019 was 95.8% made up of amounts that were neither past due nor impaired, compared with 95.7% at 31 December 2018.

Under IFRS 7, a financial asset is past due when a counterparty has failed to make a payment when contractually due. Crédit Agricole S.A. considers there to be no identified credit risk on loans and receivables that are less than 90 days past due, which account for 99.9% of receivables past due but not impaired (99.4% 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 Crédit Agricole S.A. aims to cover the entire Crédit Agricole S.A. 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 (€657.5 billion at 31 December 2019, compared with €612.2 billion at 31 December 2018), internally-rated borrowers accounted for 84.4% of the total, compared with 82.3% at end-2018 (€554.7 billion at 31 December 2019, compared with €504.2 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 S.A. by indicative S&P equivalent of 2018 internal rating

	31/12/2019	31/12/2018
AAA	33.7%	31.7%
AA	14.1%	14.9%
A	12.5%	13.7%
BBB	27.6%	27.2%
BB	10.2%	10.5%
B	0.9%	1.1%
On credit watch	1.0%	1.0%
TOTAL	**100.0%**	**100.0%**

This breakdown reflects a high-quality loan book, with a risk profile showing a two-point increase in AAA ratings. At 31 December 2019, close to 88% of lending was to borrowers with investment-grade ratings (ratings equal to or greater than BBB, 87% at 31 December 2018), and only 1.0% 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 financial assets

At 31 December 2019, total individually impaired commitments amounted to €13.6 billion, compared with €13.4 billion at 31 December 2018. These consist of commitments for which Crédit Agricole S.A. sees potential non-recovery. Individually impaired loans represent 2.7% of Crédit Agricole S.A.'s gross book value, compared with 2.8% at 31 December 2018.

Restructured loans[1] totalled €8.83 billion at 31 December 2019.

(1) The definition of restructured loans is detailed in Note 1.2 "Accounting policies and principles" to the consolidated financial statements.

Refer to the glossary page 647 for the definition of the technical terms.

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 macroeconomic outlook is detailed in Chapter 4 “Review of the 2019 financial situation and results”, section “Economic and financial environment” above.

The global economic slowdown observed in 2019 has not led overall to a significant deterioration in the quality of outstandings or a marked unfavorable change in risk indicators (see below) despite some tensions on the corporate portfolio with the going into default during of the year from a limited number of high unit amount files.

Major industry focus points are globally, 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 pork sectors as well as distribution and tourism.

4.2 Figures and facts

The Crédit Agricole S.A.’s cost of risk was €1.26 billion in 2019, compared with €1.08 billion in 2018, in increase of 16%. 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 €61 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 below in Part 2.2 “Credit risk measurement” of Section II “Credit risk management”.

IV. Application of IFRS 9

1. Measurement of expected losses

The principles used to calculate Expected Credit Losses (ECL)

They 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, Crédit Agricole S.A.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 Crédit Agricole S.A. 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, Crédit Agricole S.A. 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 Crédit Agricole S.A.’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 Crédit Agricole S.A. 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,
  - 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 86% 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 €26 billion, representing a relative weighting of 88.9% of the Crédit Agricole S.A. total exposures, versus 88.2% at the start of the year.

The decrease in the share of Bucket 2 (7.6% of exposures versus 8.4% at the start of the year) was observed across the entire Crédit Agricole S.A., except in the Leasing business 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 (3.2% of total exposures versus 3.4% at end-2018) for the Crédit Agricole S.A. and across most consolidation scopes, including the effects of loan book improvements (including the effects of 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 0.24% to 0.21%) in line with an improved loan book quality across all businesses.

Bucket 2 ECLs were down in parallel with the change in the segment's outstandings. The coverage ratio, which fell slightly (from 4.5% to 4.1%), includes the impacts of central 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 Crédit Agricole S.A. (54.8% versus 56.4% 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

Crédit Agricole S.A. 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 S.A. has two distinct and complementary levels of market risk management:

- at the central level, the Group Risk Management and Permanent Controls department ensures coordination on all subjects related to the

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A. 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 Crédit Agricole S.A. 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 S.A. 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 Crédit Agricole S.A. 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 Crédit Agricole S.A., has been approved by the regulatory authorities.

Refer to the glossary page 647 for the definition of the technical terms.

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 Crédit Agricole S.A. (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:

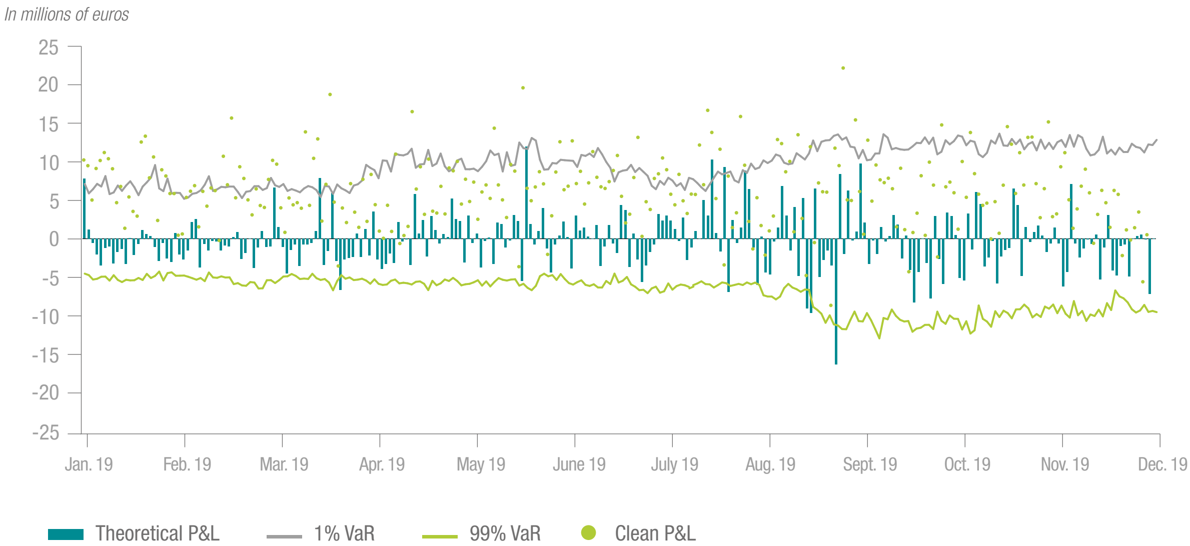
- the use of daily stress testing assumes that all positions can be liquidated or covered in one day, which is not always the case for certain products or in certain crisis situations;
- the use of a 99% confidence interval excludes losses that could occur outside of that interval: VaR is consequently 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 Crédit Agricole S.A.'s 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:

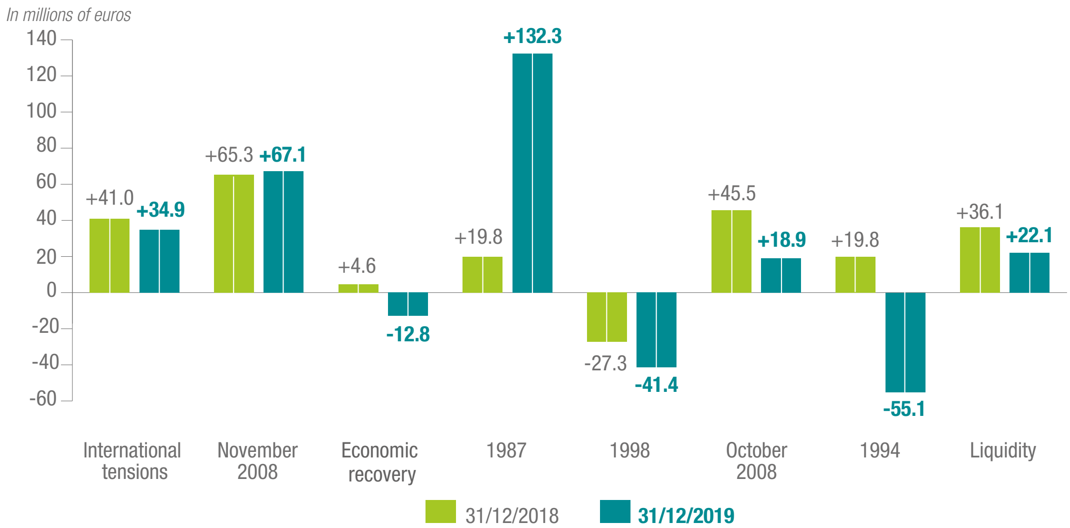
- historical scenarios, which consist in replicating the impact on the current portfolio of major crises observed in the past. The past crises used in historical stress scenarios are the 1987 stock market crash, the 1994 bond market crisis, the 1998 credit market crisis, coupled with falling equity markets, 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).

 Refer to the glossary page 647 for the definition of the technical terms.

The stress scenarios are calculated weekly.

The risk levels of Crédit Agricole S.A. 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, Crédit Agricole S.A. total VaR is representative of the Crédit Agricole Group's VaR in market activities.

The Crédit Agricole S.A. VaR is calculated by incorporating the impacts of diversification between the different 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:

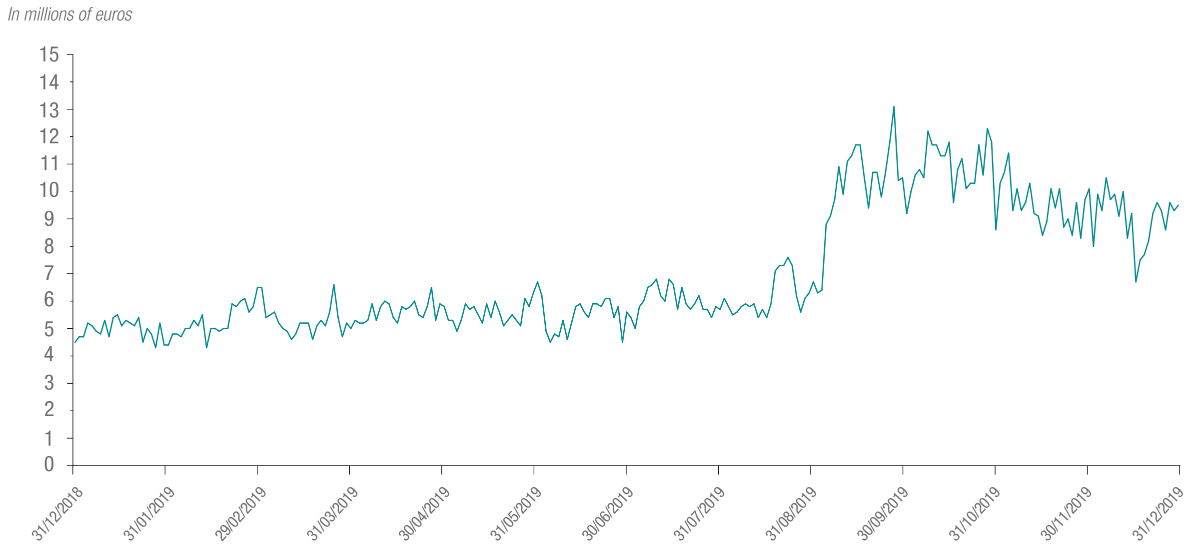
Breakdown of VaR (99%, 1 day)

(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 over the full year, VaR for 2019 was €7 million, versus €5 million for 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 31/12/2018 and 31/12/2019



 Refer to the glossary page 647 for the definition of the technical terms.

Stressed VaR

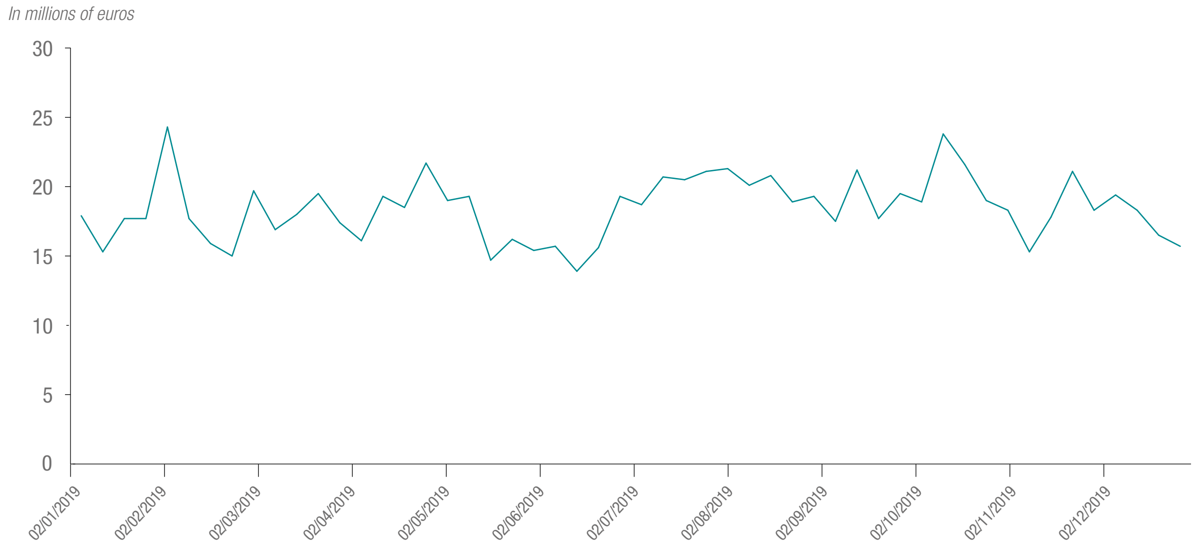
The stressed VaR is calculated on the scope of Crédit Agricole Corporate and Investment bank.

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 Crédit Agricole S.A. 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 €38.8 billion, including portfolios of insurance companies for €33.2 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.

3. Treasury shares

In accordance with the provisions of Articles L. 225-209 *et seq.* of the French Commercial Code and European Commission Regulation 2273/2003 of 22 December 2003, the Combined General Meeting of Shareholders of the Crédit Agricole S.A. may grant authority to the Board of Directors of Crédit Agricole S.A. to trade in its own shares. Crédit Agricole S.A. uses such an authorisation mainly to cover its commitments to employees under stock options or to stimulate the market in a market-making agreement.

Details of 2019 transactions carried out under the share buyback programme are provided in Chapter 1 of this Universal Registration Document, in the section "Purchase by the Company of its own shares".

At 31 December 2019, the outstanding amounts of treasury shares amounted to 0.02% of the share capital, versus 0.15% at 31 December 2018 (Note 6.19 to the consolidated financial statements).

Details of the 2019 share buyback programme are provided in Chapter 1 of this Universal Registration Document, under "Information on the share capital".

2.6 ASSET AND LIABILITY MANAGEMENT

I. Asset and liability management – Structural financial risks

Crédit Agricole S.A.'s Financial Management department defines the principles of financial management and ensures their consistent application within Crédit Agricole S.A.. The department is responsible for organising financial flows, defining and implementing refinancing rules, performing asset and liability management and managing prudential ratios.

Optimising financial flows within Crédit Agricole S.A. 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 Crédit Agricole S.A. 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 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, Crédit Agricole S.A. has a high level of financial cohesion, with limited spreading of financial risks, particularly liquidity risk. Nevertheless, the various 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 Crédit Agricole S.A.:

- subsidiaries that carry asset and liability risks comply with limits set by Crédit Agricole S.A. Risk Management Committee;
- methods of measuring, analysing and managing the Crédit Agricole S.A. 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.

II. Global interest rate risk

1. Objectives

The objective of global interest rate risk management is to stabilise the future profits of Crédit Agricole S.A. 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 Crédit Agricole 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 Crédit Agricole S.A. 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 Crédit Agricole S.A. 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 – Crédit Agricole S.A.

The Crédit Agricole S.A. exposure to global interest rate risk is monitored by 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 Crédit Agricole S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 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 Crédit Agricole S.A. 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 Crédit Agricole S.A. other retail banking passbooks is also correlated with the same half-yearly average inflation rate. As a result, the Group hedges the risk associated with these balance sheet items using instruments (carried on or off the balance sheet) for which the underlying is an inflation rate.

Option risks are included in the gaps using a delta-equivalent measure. A portion of these risks may be hedged using option-based products.

This measurement system is applied to all significant currencies (mainly USD, GBP and CHF).

A new type of measurement was implemented in 2019 with simulations of MNI projected over three years. The methodology corresponds to that of the EBA stress test: constant assessment and identical renewal of operations reaching maturity. These simulations are carried out according to four scenarios: realization of forwards (baseline), shocks of more or less 200 bp on the rates and shock of +100 bp on inflation. They are calculated on the perimeters 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 assessment of the internal capital need 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 Crédit Agricole S.A. 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 measures for Crédit Agricole S.A. 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	4.1	3.9	1.7	(1.1)

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 €41.1 million on the banking portfolio at 31 December 2019, amounting to a 0.20% decline in revenues for 2019 (compared to a decrease of €19.8 million, or 0.10% 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 -€215 million, or 0.38% of the regulatory capital of Crédit Agricole S.A. (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)	9.6	0.9	0.3	0.1

(1) Sum of all gaps in all currencies in absolute values countervalued in billions of euros.

On other currencies, a decrease of 100 basis points of the interest rates in the Eurozone in each currency, would imply for the Group a loss of -€96 million in 2020 on the banking portfolio at 31 December 2019, amounting to 0.47% of 2019 revenues.

After the euro, the main currencies to which Crédit Agricole S.A. is exposed are PLN, MAD, JPY, USD and CHF.

Refer to the glossary page 647 for the definition of the technical terms.

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

Crédit Agricole S.A. structural foreign exchange risk arises from long-term investments by Crédit Agricole S.A. in assets denominated in foreign currencies (equity of the foreign operating entities, whether resulting from acquisitions, transfers of funds from the head office, or capitalisation of local earnings), with Crédit Agricole S.A. reference currency being the euro.

At 31 December 2019, Crédit Agricole S.A. 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 Crédit Agricole S.A. structural foreign exchange positions are presented to Crédit Agricole S.A. ALM Committee, which is chaired by the Chief Executive Officer. General decisions on how to manage positions are taken during these meetings.

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, Crédit Agricole S.A.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 short-term liquidity ratio (LCR – Liquidity Coverage Ratio), along with 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.

Refer to the glossary page 647 for the definition of the technical terms.

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.

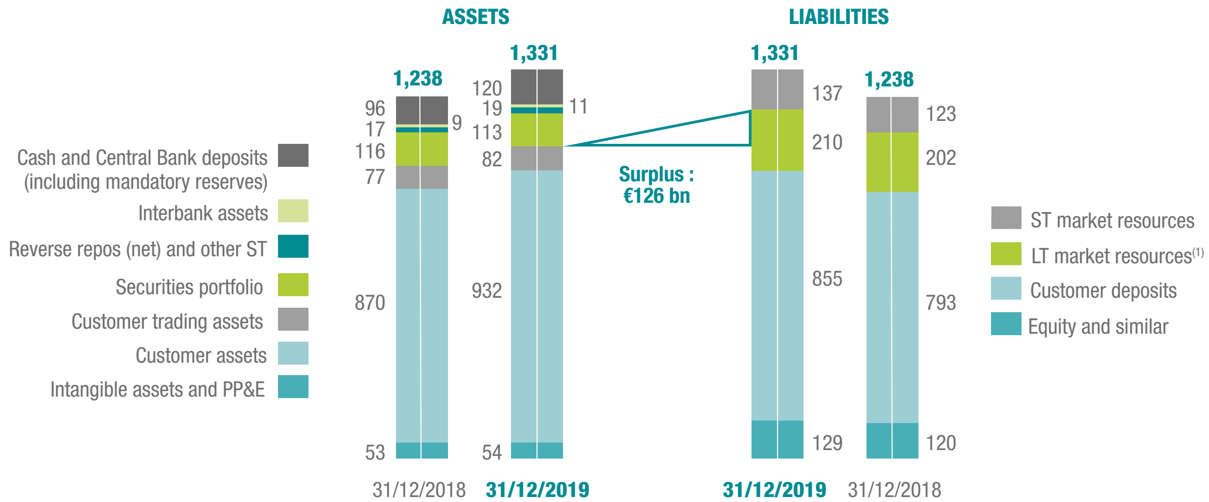
Long-term refinancing programmes comprise various instruments (see below). The body in charge of these tasks at an operational level is the Group's Treasury and Liquidity Committee, which reviews all matters relating to liquidity issues ranging from intraday to medium/long-term. It proposes policy directions 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.

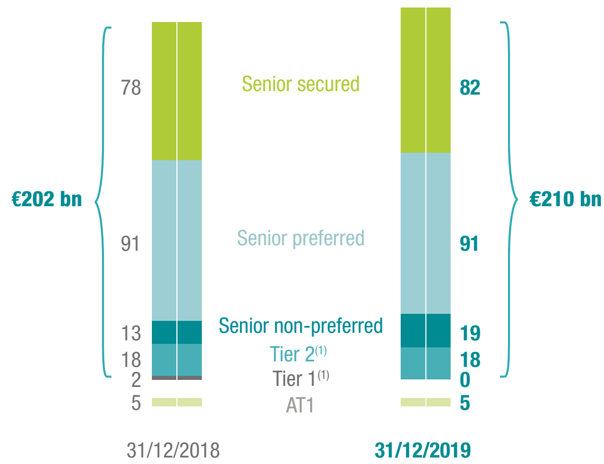
In a final stage, other restatements reassign outstandings that accounting standards allocate to one section, when they are economically related to another. Senior issues placed through the banking networks, which accounting standards would class as "LT market funds", are thus reclassified as "Customer 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

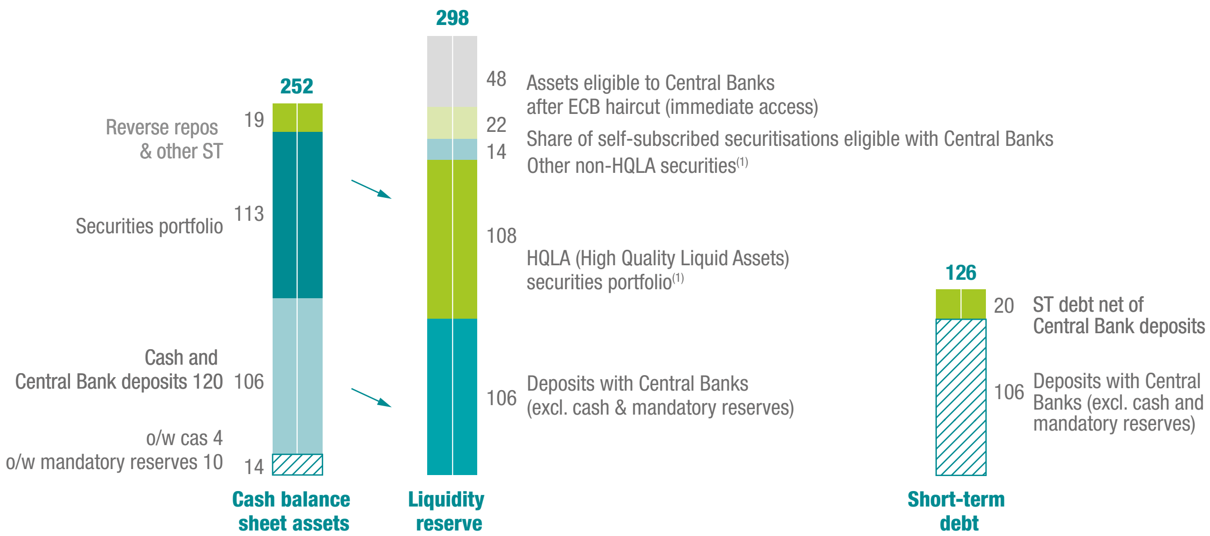


(1) Notional amount.

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.

Refer to the glossary page 647 for the definition of the technical terms.

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%.

Refer to the glossary page 647 for the definition of the technical terms.

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 Crédit Agricole S.A., 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 Crédit Agricole S.A., 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	(29)	7	(280)	**(302)**

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, Crédit Agricole S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 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 Crédit Agricole S.A. Risk Management 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 S.A.'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 have been established to manage risk consistently at Group level: the Risk Monitoring Committee, which meets bi-monthly, and the Financial Risk Committee, which meets monthly; portfolios are reviewed by asset type and current risks are reported monthly 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 Crédit Agricole S.A. Risk Management 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, amounted to €242 billion at 31 December 2019, up from €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.

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A. 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 Universal 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);

Refer to the glossary page 647 for the definition of the technical terms.

- 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 Universal 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 Universal 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. Counterparty risk

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".

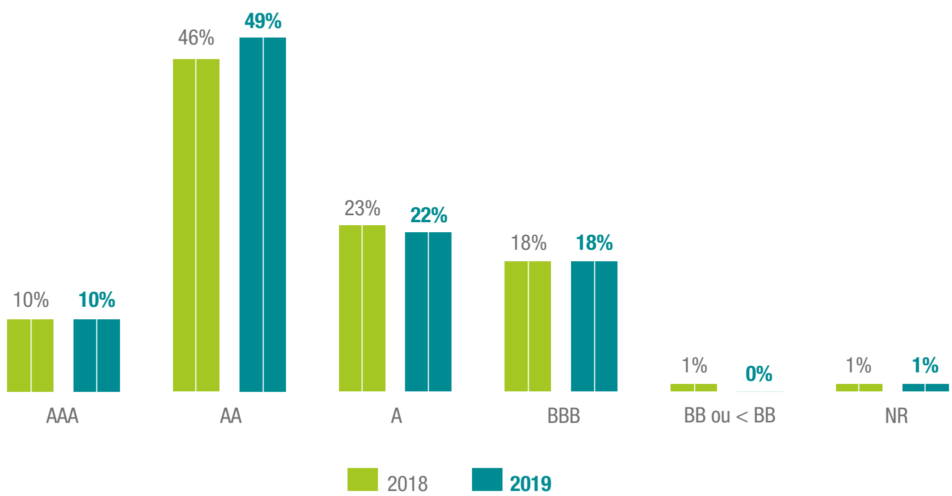
Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the management mandates granted to them by the insurance companies.

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 Crédit Agricole S.A..

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.

Refer to the glossary page 647 for the definition of the technical terms.

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 Assurance 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).

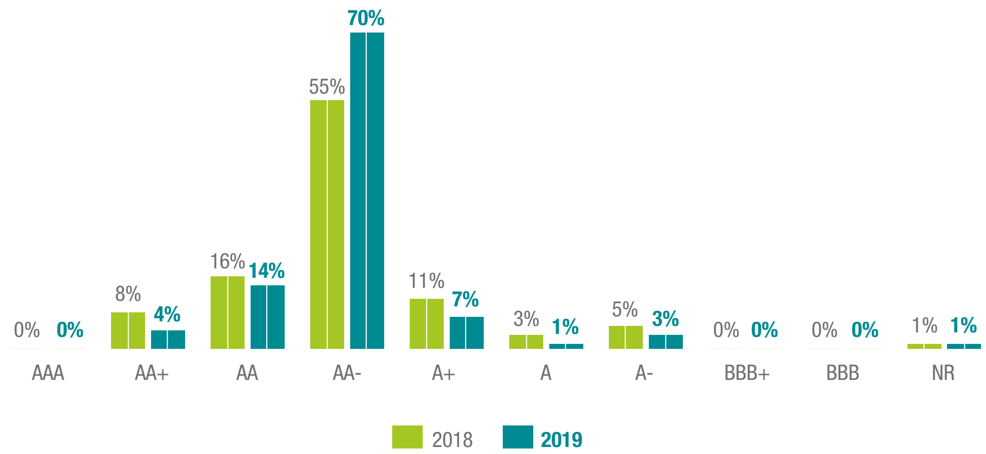
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the Company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- 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 Crédit Agricole S.A. 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 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 Crédit Agricole S.A. standards, with the adoption of Crédit Agricole S.A.'s solution for the user fall-back site, and an IT back-up plan based on Crédit Agricole S.A. 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 Universal 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.

Refer to the glossary page 647 for the definition of the technical terms.

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.

The 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.

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 Crédit Agricole S.A. use the advanced measurement approach (AMA): Crédit Agricole Corporate and Investment bank, Amundi, LCL, Crédit Agricole Consumer Finance and Agos. 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 70% 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:

- increase control over the cost of operational risk, and prevent exceptional risks across the various Group entities;
- determine the level of capital needed for the measured risks;
- 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;

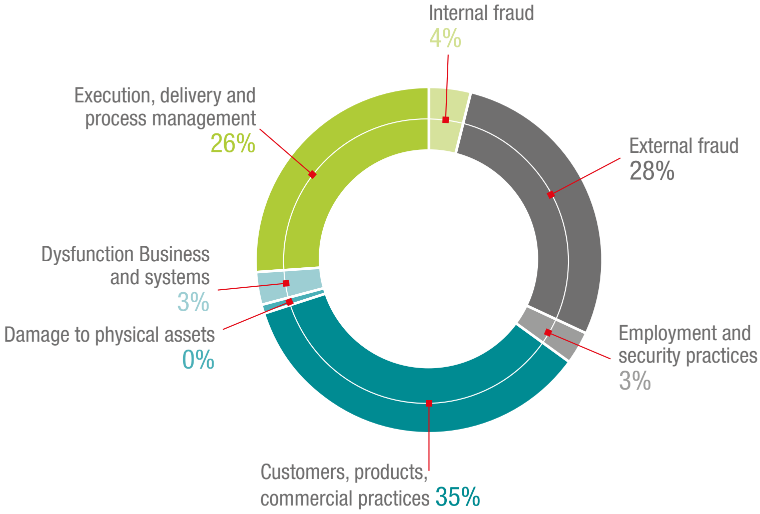
- it must have educational value, in order to be endorsed by Executive Management and the business lines;
- it must be robust, *i.e.* it must be able to provide estimates that are realistic and stable from one financial year to the next.

An annual committee for back-testing the Advanced Measurement Approach (AMA) model 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)



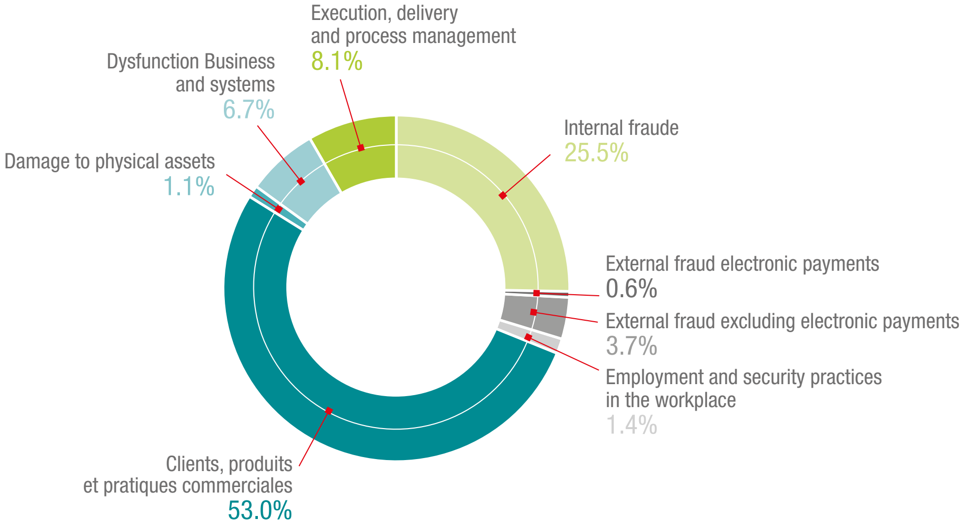
Generally, the exposure profile in terms of the operational risks identified over the last three years reflects the principal activities at Crédit Agricole S.A.:

- exposure to the Customer category, notably marked by the recent decision of the Italian Competition Authority regarding FCA bank S.p.A., 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 BV;
- still significant exposure 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 external fraud category, 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 Crédit Agricole S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

Breakdown of risk-weighted assets by Basel risk category (2017 to 2019)



IV. Insurance and coverage of operational risks

The Crédit Agricole S.A. 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. 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 civil 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 Crédit Agricole S.A., ultimately through its captive insurance subsidiary (Crédit Agricole Risk Insurance) and represent around 7% of all Group insurance programmes.

2.9 DEVELOPMENTS IN LEGAL RISK

The main legal and tax proceedings outstanding at Crédit Agricole S.A. and its fully consolidated subsidiaries are described in the management report for financial year 2018.

The cases presented below are (i) those that have evolved since 26 March 2019, the date on which Registration Document No. D.19-0198 was filed with the AMF and (ii) the pending cases which have not evolved since that date.

Any legal risks outstanding at 31 December 2019 that could have a negative impact on Crédit Agricole S.A.’s net assets have been covered by adequate provisions, which correspond to Executive Management’s best estimates, based on the information available to it (see Note 6.18 to the financial statements).

To date, to the best of Crédit Agricole S.A.’s knowledge, there is no other governmental, judiciary 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 substantial effect on the financial position or the profitability of the Company and/or the Group.

Litigation and exceptional events

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 customer 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 seeking to have the plaintiffs' claims dismissed without a jury trial.

In January 2019 the plaintiffs tried to modify their briefs in order to add new plaintiffs before their action was time-barred. The judge refused the request and two new actions (Fisher and Miller) were filed in the same court as the one in charge of the Strauss/Wolf proceedings. They are similar to the pending actions, their legal analysis is 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 suspended until then.

On 31 March 2019, the court granted the motion for summary judgment filed by Crédit Lyonnais in February 2018, in its entirety. The court found that no reasonable jury could find in favour of the plaintiffs and therefore dismissed all their claims. The plaintiffs have appealed the 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 France's Competition Council *(Conseil de la concurrence)* (now the French Competition Authority – *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 French Competition Authority, these fees constitute anti-competitive price agreements within 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 anti-competitiveness of the fees and contested the legality of the procedure followed by them.

In a decision published on 20 September 2010, the French Competition Authority 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 (*annulation d'opérations compensées à tort* – AOCT), the French Competition Authority ordered the banks to revise their amount within six months of the decision notification.

The accused banks were fined for a total amount of €384.92 million.

LCL and Crédit Agricole were respectively ordered 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 latter overruled the decision, stating that the French Competition Authority had not proven the existence of competition restrictions establishing the agreement as having an anti-competitive purpose.

The French Competition Authority 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 handed down its decision on 21 December 2017. It upheld the decision of the French Competition Authority dated 20 September 2010 but reduced the fine imposed on Crédit Agricole from €82,940,000 to €76,560,000. LCL's sanction remained unchanged, at an amount of €20,930,000.

Just as the other banks parties to these proceedings have done, LCL and Crédit Agricole filed an appeal with the Supreme Court.

In a decision dated 29 January 2020, the French Supreme Court overturned the Paris Court of Appeal's decision of 21 December 2017 on the grounds that the Court of Appeal had not characterised the existence of competition restrictions by object and remanded the case to the Paris Court of Appeal with a change in the court's composition.

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 Crédit Agricole S.A. 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 requests 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)

Refer to the glossary page 647 for the definition of the technical terms.

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 the 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 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 plaintiffs' 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 the 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 indices. 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 only the SIBOR/Singapore dollar is still taken into account. On 26 December 2018, the plaintiffs filed a new complaint aimed at reintroducing into the scope of the Frontpoint case the alleged manipulations of the SIBOR and SOR indices that affected the transactions in US dollars. Crédit Agricole CIB, along with the other defendants, opposed this new complaint during the hearing held on 2 May 2019 in New York Federal Court. On 26 July 2019, the Federal Court accepted the arguments presented by the defendants. The plaintiffs appealed the decision on 26 August 2019.

The above 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.

SSA bonds

Crédit Agricole S.A. and Crédit Agricole CIB have received enquiries from several regulators in connection with investigations into the activities of a number of banks involved in the secondary trading of SSA (Supranational, Sub-Sovereign and Agencies) bonds denominated in American dollars. As part of its cooperation with said regulators, Crédit Agricole CIB conducted internal investigations 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 over an investigation into a possible infringement of rules of European Competition law in the secondary trading of SSA bonds denominated in American dollars. Crédit Agricole S.A. and Crédit Agricole CIB noted the objections and responded on 29 March 2019, and subsequently attended a hearing held on 10 and 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. The complaint was deemed inadmissible on 30 September 2019 due to the New York court's lack of jurisdiction.

On 7 February 2019, another class action was filed against Crédit Agricole CIB 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 Federal Court. Another class action, not notified to date, was allegedly filed on the same date before the Ontario Superior Court of Justice. It is not possible at this stage to predict the outcome of these investigations, proceedings or class actions, nor the date on which they will be concluded.

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 the US District Court for the District of 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 the 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 the 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 organisations 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 judge granted the motion by Crédit Agricole CIB and the other defendants. The plaintiffs filed a motion on 22 April 2019 to amend their complaint. The defendants opposed the motion on 20 May 2019 and the plaintiffs responded 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 S.A. (CA Consumer Finance) and its subsidiary FCA bank SpA, along with a number of other banks and some car manufacturers, received a statement of objections from Italy's competition authority, the *Autorità Garante della Concorrenza e del Mercato*. The statement of objections alleged that several banks of car manufacturers offering financing solutions for vehicles made by them (the so-called "captive" banks) had restricted competition as a result of certain exchanges of information, in particular within two trade associations.

In a decision notified on 9 January 2019, the *Autorità Garante della Concorrenza e del Mercato* considered that FCA bank S.p.A. had participated in this alleged infringement and this infringement was also attributable to CA Consumer Finance. FCA bank S.p.A. was fined €178.9 million. FCA bank S.p.A. and CA Consumer Finance 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 ("Putnam bank") was filed in a federal court in New York (US District Court for the 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. The action was filed by plaintiffs who allege that they had 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 thus made illegal profits.

On 31 January 2019 a similar action ("Livonia") was filed in the US District Court of the 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, the two class actions were consolidated for pre-trial purposes.

On 4 March 2019 a third class action ("Hawaii Sheet Metal Workers Retirement Funds") was filed against the same banks in the same court and consolidated with the two previous actions on 26 April 2019. On 1 July 2019, the plaintiffs filed a "Consolidated Class Action Complaint".

The defendants filed a motion to dismiss this consolidated complaint on 30 August 2019.

Crédit Agricole Consumer Finance Nederland B.V.

The terms of interest rate revision of revolving loans offered by Crédit Agricole Consumer Finance Nederland B.V., a wholly owned subsidiary of Crédit Agricole Consumer Finance S.A., and its subsidiaries are the subject of borrowers' claims relating to the rate revision criteria and possible overpayments of interests.

On 21 January 2019, in two individual cases concerning two subsidiaries of Crédit Agricole Consumer Finance Nederland B.V., the Appeals Committee of the KIFID (Netherlands' Financial Services Complaints Authority) decided that where consumers had no or had 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 B.V. plans to set up a compensation programme during the course of 2020 for borrowing customers that will take into account the aforementioned KIFID decisions.

CACEIS Germany

CACEIS Germany has received from the Bavarian tax authorities a claim for the repayment of the dividend tax refunded to a number of its customers in 2010.

The claim amounts to €312 million. It is accompanied by a demand for the payment of €148 million of interest (calculated at the rate of 6% per annum).

CACEIS Germany strongly contests the demand, which appears to it to be devoid of any basis. CACEIS Germany has appealed on the merits of the case and requested a postponement of the payment pending the outcome of the proceedings on the merits of the case. The postponement of the payment of €148 million of interest was granted and postponement of the demand to return the amount of €312 million was rejected. CACEIS has appealed this rejection decision. As the rejection decision is enforceable, the sum of €312 million has been paid by CACEIS, which, in view of the ongoing appeal procedures, entered into its accounts a receivable of an equivalent amount.

Binding agreements

Crédit Agricole S.A. does not depend on any industrial, commercial or financial patent, license or contract.

Refer to the glossary page 647 for the definition of the technical terms.

2.10 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 (*Direction de la conformité* – DDC) of Crédit Agricole S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

3. PILLAR 3 DISCLOSURES

Key indicators at Crédit Agricole S.A. level (KM1)

	(in millions of euros)	31/12/2019
	Available own funds *(amounts)*	
1	Common Equity Tier 1 (CET1) capital	39,211
2	Tier 1 capital	44,311
3	Total capital	56,510
	Risk-weighted exposure *(amounts)*	
4	Total risk-weighted exposure (*amounts*)	323,678
	Capital ratios *(as a % of risk-weighted exposure amount)*	
5	Common Equity Tier 1 ratio *(%)*	12.1%
6	Tier 1 ratio *(%)*	13.7%
7	Total capital ratio *(%)*	17.5%
	Additional own funds requirements based on SREP *(as a % of risk-weighted exposure amount)*	
EU 7a	Additional CET1 SREP requirements *(%)*	1.5%
EU 7b	Additional AT1 SREP requirements *(%)*	0%
EU 7c	Additional T2 SREP requirements *(%)*	0%
EU 7d	Total SREP own funds requirements *(%)*	9.5%
	Combined buffer requirement *(as a % 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%
9	Institution specific countercyclical capital buffer *(%)*	0.17%
EU 9a	Systemic risk buffer *(%)*	
10	Global systemically important institution buffer *(%)*	0%
EU 10a	Other systemically important institution buffer *(%)*	
11	Combined buffer requirement *(%)*	2.67%
EU 11a	Overall capital requirement *(%)*	12.17%
	Leverage ratio	
13	Leverage ratio total exposure measure	1,044,644
14	Leverage ratio *(%)*	4.2%
	Liquidity coverage ratio	
15	Total high-quality liquid assets (HQLA) *(weighted value – average)*	189,330
16	Total net cash outflows *(adjusted value)*	143,815
17	Liquidity coverage ratio *(%)*	131.6%

3.1 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 (said "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 S.A. are presented in this section and in the section entitled "Risk management".

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 part 3.1.7.4: "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 disclose its Pillar 3 information in a separate section from its Risk Factors and Risk Management in order to isolate the items that meet the regulatory prudential publication requirements.

The main purpose of solvency management is to assess Crédit Agricole S.A.'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 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 part 3.1.7.4: "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 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").

3.1.1. 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 (Capital Requirements Directive, known as "CRD 4") and regulation 575/2013 (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. These two ratios only apply to Crédit Agricole Group:

- 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.

3.1.2. 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 part 3.1.8 "Appendix to the regulatory capital".

3.1.3. Capital Policy

The Group unveiled its financial trajectory for the Group Project and the 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.

3.1.3.1. 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 clients' assets, its market access conditions, and its rating in respect of ratings agencies.

Refer to the glossary page 647 for the definition of the technical terms.

3.1.3.2. Crédit Agricole S.A.

Crédit Agricole S.A. has set itself the objective of a CET1 ratio of 11% over the plan period. It undertakes a 50% distribution policy, in cash.

In an uncertain economic and regulatory context, this model enables a balance to be achieved 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 3.1.7.1.1 "Regulatory prudential requirements").

3.1.3.3. 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.

3.1.3.4. Subsidiaries

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

3.1.4. 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 Director 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 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 requirement compliance and the Regional Banks also perform this forecast exercise at a sub-consolidated level.

3.1.5. Financial conglomerate

3.1.5.1. 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.*

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

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;
- 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 the event of non-compliance or risk of non-compliance with the financial position 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).

As at 31 December 2019, Crédit Agricole S.A.'s phased-in financial conglomerate ratio, which now includes the Solvency 2 requirement relating to the equity interest in Crédit Agricole Assurances, was 172%, a level well above the minimum 100% requirement, including consideration of the French Decree of 24 December 2019 authorising the integration of the Policyholder Participation Reserve (PPE) in the equity of insurance

(1) Solvency 2 is a European regulatory reform of the insurance industry.

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). The level of Crédit Agricole S.A.'s financial conglomerate ratio as of 31 December 2019 corresponds to a surplus of own funds of the financial conglomerate of Crédit Agricole S.A. of €30.1 billion.

This situation follows logically from compliance with the solvency requirements of each of the two sectors, banking and insurance.

3.1.5.2. 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 prudential 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)	9,423
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)	**49,516**

Since 2 January 2014, the regulatory prudential requirements for this investment have been subject to a transfer of risk to the Regional Banks thanks to specific guarantees (Switch). The guaranteed amount totalled €9.2 billion, or €33.9 billion in risk-weighted assets.

Crédit Agricole S.A. has undertaken to dismantle 50% of the Switch guarantee before the end of the Medium-Term Plan at end-2022. On 15 January 2020, Crédit Agricole S.A. announced that 35% of the guarantee would be released on 2 March 2020, which will generate an accretive impact of €58 million in 2020 and approximately €70 million on a full-year basis on net income Group share. The impact of this transaction on the CET1 ratio of Crédit Agricole S.A. will be approximately -0.4 percentage point at 31 March 2020.

3.1.5.3. 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 the 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;
- 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.

3.1.6. Regulatory capital and internal capital

3.1.6.1. 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.

3.1.6.1.1. 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,
  - 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,

Refer to the glossary page 647 for the definition of the technical terms.

- 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 institution'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 own funds

(in millions of euros)	31/12/2019	31/12/2018
EQUITY – GROUP SHARE[(1)]	**62,920**	**58,811**
(-) Expected dividend	**(2,019)**	**(1,975)**
(-) AT1 instruments accounted as equity	**(5,134)**	**(5,011)**
Minority interests (accounting value)[(1)]	7,923	6,705
(-) components excluded from regulatory capital[(2)]	(3,504)	(3,038)
Eligible minority interests[(3)]	**4,419**	**3,667**
(-) Equity value increases resulting from securitized assets	(314)	(176)
Cash flow hedge reserves	(552)	(314)
(-) Cumulative gains and losses attributable to changes in own credit risk for liabilities measured at fair value	170	113
(-) Fair value gains and losses resulting from the institution's own credit risk related to derivative instruments in liabilities	(15)	(35)
(-) Prudent valuation	(914)	(1,156)
Prudential filters	**(1,625)**	**(1,568)**
Goodwill	(16,000)	(16,095)
Intangible assets	(2,678)	(1,822)
(-) Deduction of goodwill and intangible assets	**(18,678)**	**(17,917)**
Deferred tax assets that rely on future profitability excluding those arising from temporary differences	**(137)**	**(203)**
Shortfall in adjustments for credit risk relative to expected losses under the internal ratings-based approach	**(164)**	**(129)**
Amount exceeding thresholds	**0**	**0**
Other CET1 components	**(371)**	**(323)**
COMMON EQUITY TIER 1 (CET1)	**39,211**	**35,352**

(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.

3.1.6.1.2. 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 bail-in 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 bail-in 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 million, including €26.3 million in distributable reserves and €12.5 million 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-publications in Appendix II "Main characteristics of equity capital instruments" and correspond to Super Subordinated Notes (SSN).

3.1.6.1.3. 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-publications 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).

3.1.6.1.4. 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 amortisation, any calls, redemptions, etc.),
  - 30% (regulatory threshold for 2019) of the Tier 1 stock at 31 December 2012, which stood at €9,329 million, *i.e.* a maximum recognisable amount of €2,799 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 €4,121 million, or a maximum recognisable amount of €1,236 million.

Refer to the glossary page 647 for the definition of the technical terms.

3.1.6.1.5. Position at 31 December 2019

Simplified regulatory capital

(in millions of euros)	31/12/2019 Phased-in	31/12/2019 Fully loaded	31/12/2018 Phased-in	31/12/2018 Fully loaded
Capital instruments eligible as CET1 capital	21,147	21,147	20,996	20,996
Retained earnings and other reserves	32,066	32,066	29,846	29,846
Accumulated other comprehensive income	2,740	2,740	1,140	1,140
Minority interests (amount allowed in consolidated CET1)	4,419	4,419	3,667	3,667
Capital instruments and reserves	**60,372**	**60,372**	**55,649**	**55,649**
Prudential filters	(1,625)	(1,625)	(1,568)	(1,568)
(-) Deductions of intangible assets	(18,678)	(18,678)	(17,917)	(17,917)
Amount exceeding thresholds(1)	-	-	-	-
Other CET1 components	(858)	(858)	(812)	(812)
Regulatory adjustments	**(21,161)**	**(21,161)**	**(20,297)**	**(20,297)**
COMMON EQUITY TIER 1 (CET1)	**39,211**	**39,211**	**35,352**	**35,352**
Eligible AT1 capital instruments	3,816	3,816	5,260	5,260
Ineligible AT1 capital instruments qualifying under grandfather 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	(1)	(1)	(1)	(1)
Other Tier 1 components	(623)	(323)	(258)	(258)
ADDITIONAL TIER 1 CAPITAL	**5,100**	**3,492**	**6,764**	**5,001**
TIER 1 CAPITAL	**44,311**	**42,703**	**42,116**	**40,353**
Eligible Tier 2 capital instruments	15,882	15,882	14,722	14,722
Ineligible Tier 2 capital instruments under grandfathering clause	134	-	196	-
Surplus provisions relative to expected losses eligible under the internal ratings-based approach(2)	100	100	374	374
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	(3,738)	(3,738)	(2,647)	(2,647)
Other Tier 2 components	(179)	(173)	(77)	(77)
TIER 2 CAPITAL	**12,199**	**12,071**	**12,568**	**12,372**
TOTAL CAPITAL	**56,510**	**54,774**	**54,684**	**52,725**

(1) Financial-sector CET1 instruments in which the institution holds a significant stake account for € 2,032million, and the deferred taxes that rely on future profitability arising from temporary differences amount to € 1,070 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-publications.

Changes during the period

Common Equity Tier 1 (CET1) capital stood at €39.2 billion at 31 December 2019 and shows an increase of €3.9 billion compared to the end of the financial year 2018.

Details of changes are shown under detailed ratios categories:

- capital instruments and reserves increased to €60.4 billion, up €4.7 billion compared to end-2018, mainly stemming from the prudential result retained for €2.9 billion and the positive impact of unrealised capital gains and losses up €1.6 billion and non-controlling interests up €0.8 billion. Conversely, the AT1 coupons had a negative effect on the CET1 equal to €0.6 billion. With regard to income, it is marked notably by two specific elements: the positive decision by the French Council of State regarding Emporiki (+€1 billion); the partial depreciation of LCL goodwill (-€0.6 billion) had a neutral effect with regard to the ratio as a result of the deduction of goodwill;
- supervisory filters vary very little (negative impact of less than €0.1 billion);
- deductions of goodwill and other intangible assets amounted to €18.7 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 €1.2 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 €2.0 billion; deferred tax assets dependent on future profitability and resulting from temporary differences amounted to €1.1 billion, stable as at 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 €42.7 billion, or an increase of €2.4 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 partially 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 €44.3 billion, up €2.2 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 €12.1 billion, down €0.3 billion compared to 31 December 2018. This change was attributable to:

- capital instruments eligible as Tier 2 capital amounted to €15.9 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 down €0.3 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 €3.7 billion on a fully loaded basis, compared with €2.6 billion at 31 December 2018;
- other Tier 2 components were down €0.1 billion.

Phased-in Tier 2 capital was €12.2 billion, down €0.4 billion from 31 December 2018 and stood out a positive difference of €0.1 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 €54.8 billion, up €2.0 billion compared to 31 December 2018.

Phased-in total capital was €56.5 billion, which was €1.8 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 3.1.7.3 “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	**35,352**
Capital increase	151
Accounting attributable net income/loss for the year before dividend	4,257
Expected dividend	(2,019)
Other comprehensive income	1,600
Eligible minority interests	752
Prudential filters	(57)
Goodwill and other intangible assets	(761)
Amount exceeding the exemption thresholds	-
Other CET1 components	(64)
COMMON EQUITY TIER 1 CAPITAL AT 31/12/2019	**39,211**
Additional Tier 1 capital at 31/12/2018	**6,764**
Issues	1,113
Redemptions and foreign currency impact on the debt stock(1)	(2,412)
Other Tier 1 components	(365)
ADDITIONAL TIER 1 CAPITAL AT 31/12/2019	**5,100**
TIER 1 CAPITAL AT 31/12/2019	**44,311**
Tier 2 capital at 31/12/2018	**12,568**
Issues	1,859
Redemptions and foreign currency impact on the debt stock(1)(2)	(761)
Other Tier 2 components	(1,467)
TIER 2 CAPITAL AT 31/12/2019	**12,199**
TOTAL CAPITAL AT 31/12/2019	**56,510**

(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.

Refer to the glossary page 647 for the definition of the technical terms.

3.1.6.2. 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.

3.1.7. Adequacy of capital

Adequacy of capital is ensured through the monitoring of solvency, leverage, and resolution ratios. Each of these ratios reports the amount of regulatory capital and/or, when applicable, eligible instruments, to the risk, leverage or size of the balance sheet exposures. These exposures are defined and calculated in section 3.4 "Composition of and changes in risk-weighted assets".

3.1.7.1. 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 4.2, "Composition of and changes in risk-weighted assets").

3.1.7.1.1. 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* – HCFS) 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 S.A.'s exposures in these countries, Crédit Agricole S.A.'s countercyclical buffer rate was 0.166% at 31 December 2019. By end-2020 it will reach 0.297%, 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 exposure		Trading book exposure		Securitisation exposure		Capital requirements						
	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	Securi-tisation exposure	Total	Breakdown by country *(%)*	Countercycli-cal capital buffer rate *(%)* 31/12/2019	Projected countercycli-cal capital buffer rate *(%)* 31/12/2020[2]
Germany	3,674	13,801	-	-	-	2,498	575	-	25	600	2.98%	0.00%	0.25%
Belgium	3,667	2,775	-	-	-	-	137	-	-	137	0.68%	0.00%	0.50%
Bulgaria	1	23	-	-	-	-	1	-	-	1	0.00%	0.50%	1.00%
Denmark	138	549	-	-	-	-	17	-	-	17	0.09%	1.00%	2.00%
France	39,268	205,647	140	1,849	588	11,618	8,805	159	149	9,113	45.24%	0.25%	0.50%
Hong Kong	593	3,825	-	-	-	-	113	-	-	113	0.56%	2.00%	2.00%
Ireland	89	3,898	-	-	-	69	100	-	1	101	0.50%	1.00%	1.00%
Iceland	1	-	-	-	-	-	-	-	-	-	0.00%	1.75%	2.00%
Lithuania	-	1	-	-	-	-	-	-	-	-	0.00%	1.00%	1.00%
Luxembourg	2,463	12,289	-	-	-	1,663	450	-	-	450	2.23%	0.00%	0.25%
Norway	12	1,534	-	-	-	-	36	-	-	36	0.18%	2.50%	2.50%
Czech Republic	26	167	-	-	-	-	6	-	-	6	0.03%	1.50%	2.00%
United Kingdom	1,774	15,215	-	-	-	1,495	477	-	18	495	2.46%	1.00%	1.00%
Slovakia	3	1	-	-	-	-	-	-	-	-	0.00%	1.50%	2.00%
Sweden	92	1,734	-	-	-	14	51	-	1	52	0.26%	2.50%	2.50%
Other countries[1]	64,190	156,516	114	-	640	24,108	8,593	9	420	9,022	44.80%	0.00%	0.00%
TOTAL	**115,991**	**417,975**	**254**	**1,849**	**1,228**	**41,465**	**19,361**	**168**	**614**	**20,143**	**100.00%**	**0.166%**	**0.297%**

(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 at 31 December 2019 based on the decisions known to date.

Requirements for the countercyclical buffer calculation (CCYB2)

(in millions of euros)	31/12/2019	31/12/2018
Total risk exposure	323,678	306,893
Institution-specific countercyclical buffer *(in %)*	0.166%	0.043%
Institution-specific countercyclical buffer	**538**	**132**

Summarised:

Combined buffer requirement *(in %)*	31/12/2019	31/12/2018
Phased capital conservation buffer	2.50%	1.88%
Phased systemic buffer	0.00%	0.00%
Countercyclical buffer	0.17%	0.04%
Combined buffer requirement	**2.67%**	**1.92%**

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 CET 1 capital, Tier 1 capital and total capital.

Refer to the glossary page 647 for the definition of the technical terms.

	CET1 SREP requirement	Tier 1 SREP requirement	Overall capital SREP requirement
Pillar 1 minimum requirement	4.50%	6.00%	8.00%
Pillar 2 requirement (P2R)	1.50%	1.50%	1.50%
Conservation buffer	2.50%	2.50%	2.50%
Countercyclical buffer	0.17%	0.17%	0.17%
SREP requirement (a)	**8.67%**	**10.17%**	**12.17%**
31/12/19 Phased-in solvency ratios (b)	**12.1%**	**13.7%**	**17.5%**
Distance to SREP requirement (b-a)	345bp	352bp	529bp
DISTANCE TO MDA TRIGGER THRESHOLD	**345 BP (€11BN)**		

At 31 December 2019, Crédit Agricole S.A. posted a buffer of 345 basis points above the MDA trigger, *i.e.* approximately €11 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	2.67%	1.92%
CET1 requirement	**8.67%**	**7.92%**
AT1	1.50%	1.50%
Tier 2	2.00%	2.00%
Overall capital requirement	**12.17%**	**11.42%**

Crédit Agricole S.A. must therefore comply with a minimum CET1 ratio of 8.67%. 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 adjustments made as part of Pillar 2, in accordance with the request of the European Central Bank; these currently only relate to the prudential deduction of irrevocable payment commitments relating to the Single Resolution Fund (SRF) and the Deposit and Resolution Guarantee Fund (FGDR).

Accordingly, compared to the regulatory declarations made under Pillar 1, an additional deduction of €355 million was made on CET1; consequently, the risk-weighted assets were adjusted downwards by €251 million.

3.1.7.1.2. Position at 31 December 2019

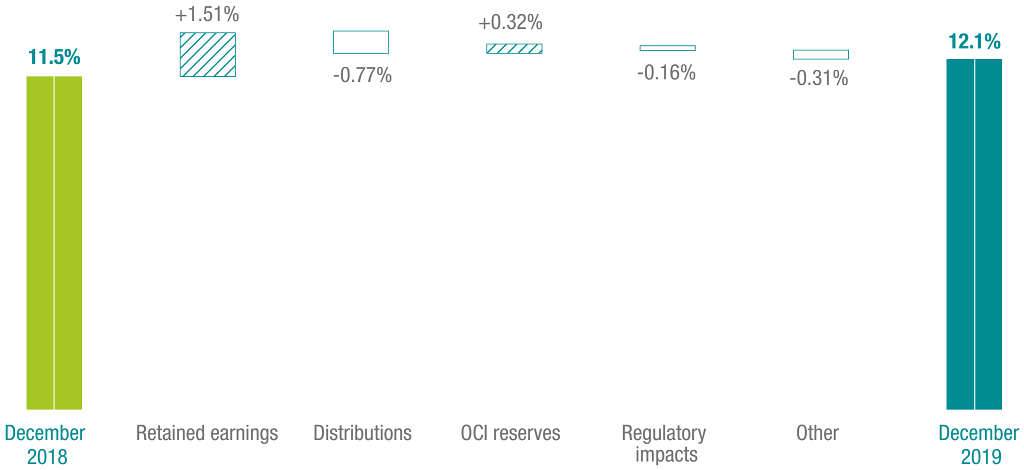
Summary of the key figures

	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)	39,211	39,211	-	35,352	35,352	-
Tier 1 capital	44,311	42,703	-	42,116	40,353	-
Total capital	56,510	54,774	-	54,684	52,725	-
Total risk-weighted assets	323,678	323,678	-	306,893	306,893	-
CET1 RATIO	**12.1%**	**12.1%**	**8.7%**	**11.5%**	**11.5%**	**7.9%**
TIER 1 RATIO	**13.7%**	**13.2%**	**10.2%**	**13.7%**	**13.1%**	**9.4%**
TOTAL CAPITAL RATIO	**17.5%**	**16.9%**	**12.2%**	**17.8%**	**17.2%**	**11.4%**

The applicable minimum requirements are fully met; the CET1 ratio of Crédit Agricole S.A. was 12.1% as at 31 December 2019.

Refer to the glossary page 647 for the definition of the technical terms.

Changes in CET1 over 2019



The CET1 ratio grew by 0.6 percentage point over 2019, in particular thanks to the generation of retained earnings for 74 bp, including 32 bp (€1.038 billion) linked to the favourable decision by the French Council of State in the dispute regarding the tax treatment of Emporiki securities.

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).

Regulatory impacts (-16 basis points) mainly correspond to the effect of IFRS 16 on rental contracts, applicable since 1 January 2019 and to a change in weighting of operational risks in the fourth quarter.

The "Other" item included, in particular, the development of business lines (-23 basis points). Structural transactions ultimately generated an impact of -8 basis points on the CET1 ratio in 2019, including the finalisation of the Agos/Banco BPM transaction (-10 basis points), the acquisition of Kas Bank by CACEIS and the merger of CACEIS and Santander (-8 basis points), and the sale of BSF securities (+11 basis points).

3.1.7.2. Leverage ratio

3.1.7.2.1. 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 Tier 1 capital divided by 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.

Refer to the glossary page 647 for the definition of the technical terms.

3.1.7.2.2. Position at 31 December 2019

The leverage ratio of Crédit Agricole S.A. was 4.2% on a phased-in Tier 1 basis. The intra-quarter phased-in leverage ratio for Crédit Agricole S.A., which refers to the average end-of-month exposures for the first two months of the last quarter, was 3.9%.

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)	1,135,758	1,042,111
2	(Asset amounts deducted in determining Tier 1 capital)	(21,535)	(20,371)
3	**TOTAL ON-BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND FIDUCIARY ASSETS) (SUM OF LINES 1 AND 2)**	**1,114,223**	**1,021,740**
Derivative exposures			
4	Replacement cost associated with all derivatives transactions (*i.e.* net of eligible cash variation margin)	15,123	15,126
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	39,473	28,580
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)	(18,936)	(18,284)
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)**	**44,781**	**34,350**
SFT exposures			
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	227,673	203,382
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(101,704)	(52,215)
14	Counterparty credit risk exposure for SFT assets	3,134	7,706
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)**	**129,103**	**158,872**
Other off-balance sheet exposures			
17	Off-balance sheet exposures at gross notional amount	280,486	273,603
18	(Adjustments for conversion to credit equivalent amounts)	(129,731)	(126,560)
19	**OTHER OFF-BALANCE SHEET EXPOSURES (SUM OF LINES 17 TO 18)**	**150,755**	**147,043**
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))	(338,902)	(316,921)
EU-19b	(Exposures exempted in accordance with Article 429-(14) of Regulation (EU) No. 575/2013 (on- and off-balance sheet))	(55,316)	-
Capital and total exposures			
20	**TIER 1 CAPITAL**	**44,311**	**42,116**
21	**TOTAL LEVERAGE RATIO TOTAL EXPOSURE MEASURE (SUM OF LINES 3, 11, 16, 19, EU-19A AND-EU-19B)**	**1,044,644**	**1,045,086**
Leverage ratio			
22	**LEVERAGE RATIO**	**4.24%**	**4.03%**
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	-	-

Refer to the glossary page 647 for the definition of the technical terms.

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	1,767,643	1,624,394
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(381,906)	(342,921)
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	(79,230)	(74,849)
5	Adjustments for securities financing transactions (SFTs)	3,135	28,710
6	Adjustment for off-balance sheet items (*i.e.* conversion to credit equivalent amounts of off-balance sheet exposures)	150,755	147,043
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)	(338,902)	(316,921)
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)	(55,316)	-
7	Other adjustments	(21,535)	(20,371)
8	**LEVERAGE RATIO TOTAL EXPOSURE MEASURE**	**1,044,644**	**1,045,086**

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:	746,287	730,506
EU-2	Trading book exposure	34,545	7,910
EU-3	Banking book exposures, of which:	711,742	722,596
EU-4	Covered bonds	5,891	3,850
EU-5	Exposures treated as sovereigns	188,572	206,005
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	4,440	3,160
EU-7	Institutions	45,593	46,521
EU-8	Secured by mortgages of immovable properties	7,208	6,898
EU-9	Retail exposures	192,204	180,390
EU-10	Corporates	201,306	190,451
EU-11	Exposures in default	10,588	10,896
EU-12	Other exposures (*e.g.* equity, securitisations, and other non-credit obligation assets)	55,940	74,425

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 20 basis point over the year. This increase can be explained in particular by the growth in equity capital over the period (+€2.1 billion over the year, or 4.9% growth), while leveraged exposure remained unchanged. Pro forma of the deduction of CDC deposits, the leverage ratio at end-2018 was 4.2%: adjusted for this effect, the increase in leveraged exposures (+€49 billion, or 4.9% growth) offsetting that of equity capital over the period.

3.1.7.3. Resolution ratios

The resolution ratios only concern Crédit Agricole Group.

3.1.7.3.1. 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 bail-in 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 bail-in and recapitalisation capacity before and during resolution. As a result, the resolution authorities will be able to implement an ordered resolution strategy that minimises impacts on financial stability, ensures the continuity of the G-SIIs' critical economic functions and limits the use of taxpayers' money. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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);
- 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 ratio exposure.

TLAC Requirements at Resolution Group Level – Crédit Agricole Group *(in millions of euros)*		31/12/2019
1	Total loss absorption capacity (TLAC)	126,440
2	Total risk-weighted assets (RWA)	559,009
3	**TLAC** *(as a percentage of risk-weighted assets, RWA)*	
4	Leverage exposure measure (LRE)	1,657,819
5	**TLAC** *(as a percentage of leveraged exposure, LRE)*	
6a	Does the subordination exemption in the antepenultimate paragraph of section 11 of the FSB TLAC Term Sheet apply?	No
6b	Does the subordination exemption in the penultimate paragraph of section 11 of the FSB TLAC Term Sheet apply?	No
6c	If the capped subordination exemption applies, the amount of funding issued that ranks pari passu with Excluded Liabilities and that is recognised as external TLAC, divided by funding issued that ranks pari passu with Excluded Liabilities and that would be recognised as external TLAC if no 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 outstanding 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 prudential 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 regulatory capital instruments and other eligible TLAC instruments", available at https://www.credit-agricole.com/en/finance/finance/financial-information.

Regulatory capital elements of TLAC and adjustments		31/12/2019 *(in millions of euros)*
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**	**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 liabilites instruments of other G-SIIs	-
10	**TLAC ARISING FROM NON-REGULATORY CAPITAL INSTRUMENTS**	**18,233**
11	**TOTAL LOSS ABSORPTION 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 % of risk-weighted assets, RWA)*	**22.6%**
15	**TLAC** *(as a % of leveraged exposure, LRE)*	**7.6%**

3.1.7.3.2. 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 of Crédit Agricole network and the parent company for its subsidiaries, would be the "single point of entry" if a resolution procedure were commenced in respect of Crédit Agricole Group.

The MREL ratio corresponds to the minimum requirement of own funds and eligible liabilities 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.

3.1.7.4. Adequacy of economic capital

The Group's approach for measuring economic capital requirement is put into practice at 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 of 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 risk quantification methodologies for 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 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 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.

Refer to the glossary page 647 for the definition of the technical terms.

3.1.8. Appendix regarding regulatory capital

3.1.8.1. 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).

3.1.8.2. 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 counterparty 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	93	93	93	-	-	-	-
Held for trading financial assets	231	232	-	205	-	133	-
Other financial instruments at fair value through profit or loss	169	7	7	-	-	-	-
Hedging derivative instruments	19	18	-	18	-	-	-
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	259	40	34	4	3	-	0
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	3	2	2	-	-	-	0
Loans and receivables due from credit institutions	439	437	431	5	-	-	-
Loans and receivables due from customers	395	407	403	4	-	-	-
Debt securities	73	62	57	5	-	-	-
Revaluation adjustment on interest rate hedged portfolios	7	7	-	-	-	-	7
Current and deferred tax assets	4	5	5	-	-	-	-
Accruals, prepayments and sundry assets	38	35	31	4	-	-	-
Non-current assets held for sale and discontinued operations	0	-	-	-	-	-	-
Investments in equity-accounted entities	7	16	15	-	-	-	1
Investment property	7	0	0	-	-	-	-
Property, plant and equipment	6	7	7	-	-	-	-
Intangible assets	3	3	-	-	-	-	3
Goodwill	15	15	-	-	-	-	15
TOTAL ASSETS	**1,768**	**1,386**	**1,085**	**245**	**3**	**133**	**26**
Liabilities							
Central banks	2	2	-	-	-	-	2
Held for trading financial liabilities	207	207	-	75	-	-	133
Financial liabilities designated at fair value through profit or loss	40	36	-	-	-	-	36
Hedging derivative instruments	13	13	-	-	-	-	13
Due to credit institutions	142	124	-	6	-	-	118
Due to customers	647	665	-	2	-	-	663
Debt securities	201	189	-	-	-	-	189
Revaluation adjustment on interest rate hedged portfolios	9	9	-	-	-	-	9
Current and deferred tax liabilities	4	3	3	-	-	-	0
Accruals, deferred income and sundry liabilities	49	43	8	-	-	-	35
Liabilities associated with non-current assets held for sale and discontinued operations	0	-	-	-	-	-	-
Insurance company technical reserves	356	-	-	-	-	-	-
Provisions	4	5	-	-	-	-	5
Subordinated debt	22	20	-	-	-	-	20
Total liabilities	**1,697**	**1,316**	**11**	**82**	**-**	**-**	**1,223**
Equity	**71**	**69**	**-**	**-**	**-**	**-**	**69**
Equity, Group share	**63**	**63**	**-**	**-**	**-**	**-**	**63**
Share capital and reserves	27	27	-	-	-	-	27
Consolidated reserves	28	28	-	-	-	-	28
Other comprehensive income	3	3	-	-	-	-	3
Other comprehensive income on discontinued operations	-	-	-	-	-	-	-
Net income/(loss) for the year	5	5	-	-	-	-	5
Non-controlling interests	**8**	**6**	**-**	**-**	**-**	**-**	**6**
TOTAL EQUITY AND LIABILITIES	**1,768**	**1,386**	**11**	**82**	**-**	**-**	**1,292**

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.

Refer to the glossary page 647 for the definition of the technical terms.

3.2 MAIN SOURCES OF DIFFERENCES BETWEEN REGULATORY EXPOSURE AMOUNTS AND CARRYING VALUES IN FINANCIAL STATEMENTS (LI2)

		a	b	c	d	e
			Items subject to:			
31/12/2019 *(in billions of euros)*		Total	Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework[1]
1	Asset carrying value amount under the scope of regulatory consolidation (as per template EU LI1)[2]	**1,386**	1,085	245	3	133
2	Liabilities carrying value aount under the regulatory scope of consolidation (as per template EU LI1)	**93**	11	82	-	-
3	**Total net amount under the regulatory scope of consolidation**	**1,293**	**1,074**	**163**	**3**	**133**
4	Off-balance-sheet amounts[3]	**468**	119	-	38	-
5	Differences in valuations	**-**	-	-	-	
6	Differences in netting rules	**(112)**	-	(112)	-	-
7	Difference due to consideration of provisions	**7**	7	-	-	-
8	Differences due to the use of credit risk mitigation techniques (CRMs)	**(25)**	(22)	(3)	-	
9	Differences due to credit conversion factors	**(104)**	-	-	-	
10	Differences due to Securitisation with risk transfer	-	-	-	-	
11	Other adjustments	**40**	15	25	-	
12	**Exposure amount considered for regulatory purposes**	**1,307**	**1,193**	**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.

3.3 OUTLINE OF THE DIFFERENCES IN THE SCOPES OF CONSOLIDATION, ENTITY BY ENTITY (LI3)[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
Crédit Agricole – Group Infrastructure Platform	MEE		X		Information and communication
Crédit Agricole Immobilier	MEE		X		Specialised, scientific and technology activities
Crédit Agricole Immobilier Promotion	MEE		X		Construction activities
Crédit Agricole Immobilier Services	MEE		X		Real-estate activities
SO.GI.CO	MEE		X		Real-estate activities
SCI D2 CAM	MEE		X		Real-estate activities
Uni-medias	Globale			X	Information and communication
Crédit Agricole Assurances (CAA)	Globale			X	Financial and insurance activities – Insurance
Crédit Agricole Life Insurance Company Japan Ltd.	Globale			X	Financial and insurance activities – Insurance
CA ASSICURAZIONI	Globale			X	Financial and insurance activities – Insurance
Crédit Agricole Créditor Insurance (CACI)	Globale			X	Financial and insurance activities – auxiliary activities of financial and insurance services
Spirica	Globale			X	Financial and insurance activities – Insurance
Crédit Agricole Assurances Solutions	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
PREDICA	Globale			X	Financial and insurance activities – Insurance
Médicale de France	Globale			X	Financial and insurance activities – Insurance
PACIFICA	Globale			X	Financial and insurance activities – Insurance
Via Vita	Globale			X	Other activities of services
IRIS HOLDING FRANCE	Globale			X	Real-estate activities
HOLDING EUROMARSEILLE	Globale			X	Real-estate activities
Crédit Agricole Life Insurance Europe	Globale			X	Financial and insurance activities – Insurance
GNB SEGUROS (formerly BES SEGUROS)	Globale			X	Financial and insurance activities – Insurance
Crédit Agricole Life	Globale			X	Financial and insurance activities – Insurance
Crédit Agricole Vita S.p.A.	Globale			X	Financial and insurance activities – Insurance
ASSUR&ME	Globale			X	Financial and insurance activities – auxiliary activities of financial and insurance services
VAUGIRARD INFRA S.L.	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
SAS ALTA VAI HOLDCO P	Globale			X	Real-estate activities
Predica Infrastructure S.A.	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
UBAF	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
CAIRS Assurance S.A.	Globale			X	Financial and insurance activities – Insurance
Atlantic Asset Securitization LLC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
LMA S.A.	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Héphaïstos EUR FCC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Héphaïstos GBP FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds

Refer to the glossary page 647 for the definition of the technical terms.

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
Héphaïstos USD FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Héphaïstos Multidevises FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Eucalyptus FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Pacific USD FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Shark FCC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Vulcain EUR FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Vulcain Multi-Devises FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Vulcain USD FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Pacific EUR FCC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Pacific IT FCT	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Triple P FCC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
ESNI (compartiment Cédit Agricole CIB)	Globale			X	Financial and insurance activities – auxiliary activities of financial and insurance services
Elipso Finance S.r.l.	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
La Fayette Asset Securitization LLC	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
TSUBAKI ON (FCT)	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
TSUBAKI OFF (FCT)	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
La Route Avance	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
FCT CFN DIH	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
S3 Latam Holdco 1	MEE		X		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
Santander Securities Services Brasil Participaçoes, S.A.	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Banco S3 México, S.A.	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
Santander Securities Services Colombia S.A.	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
S3 Latam Holdco 2	MEE		X		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.	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
ARES Reinsurance Ltd.	Globale			X	Financial and insurance activities – auxiliary activities of financial and insurance services
MENAFINANCE	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
FCA Bank S.P.A	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
CACF BANKIA sa	MEE		X		Financial and insurance activities – activities of financial services, excluding insurance and pension funds
FINAREF RISQUES DIVERS	Globale			X	Financial and insurance activities – Insurance
FINAREF VIE	Globale			X	Financial and insurance activities – Insurance
CACI Reinsurance Ltd.	Globale			X	Financial and insurance activities – auxiliary activities of financial and insurance services
SPACE HOLDING (IRELAND) LIMITED	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
SPACE LUX	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
CACI LIFE LIMITED	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds
CACI NON LIFE LIMITED	Globale			X	Financial and insurance activities – activities of financial services, excluding insurance and pension funds

(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.

Refer to the glossary page 647 for the definition of the technical terms.

3.4 COMPOSITION AND CHANGES IN RISK-WEIGHTED ASSETS

3.4.1 Summary of risk-weighted assets

3.4.1.1 Risk-weighted assets by type of risks (OV1)

The risk-weighted assets in respect of credit risk, market risk and operational risk were €323.7 billion at 31 December 2019, compared with €307 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)**	**245,450**	**233,109**	**19,636**
2	Of which the standardised approach	99,137	94,698	7,931
3	Of which the foundation IRB (FIRB) approach	24,787	24,127	1,983
4	Of which the advanced IRB (AIRB) approach	94,668	93,447	7,573
5	Of which equity IRB under the simple risk-weighted approach or the IMA	26,858	20,837	2,149
6	**CCR**	**20,619**	**17,913**	**1,650**
7	Of which mark to market	7,540	5,709	603
8	Of which original exposure	-	-	-
9	Of which the standardised approach	-	-	-
10	Of which internal model method (IMM)	8,937	8,310	715
11	Of which risk exposure amount for contributions to the default fund of a CCP	403	291	32
12	Of which CVA	3,739	3,603	299
13	**Settlement risk**	**15**	**7**	**-**
14	**Securitisation exposures in the banking book (after the cap)**	**7,671**	**6,499**	**614**
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	563	1,545	45
	Of which new securitisation originated since 01/01/2019	2,100		168
19	**Market risk**	**11,595**	**10,589**	**928**
20	Of which the standardised approach	4,652	4,167	372
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**	**33,972**	**31,400**	**2,718**
24	Of which basic indicator approach	-	-	-
25	Of which standardised approach	10,300	8,954	824
26	Of which advanced measurement approach	23,672	22,446	1,894
27	**Amounts below the thresholds for deduction (subject to 250% risk weight)**	**4,356**	**7,377**	**348**
28	**Floor adjustment Basel 1**	**-**	**-**	**-**
29	**TOTAL**	**323,678**	**306,893**	**25,894**

3.4.1.2 Operating segment information

31/12/2019	Credit risk								
(in millions of euros)	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	8,298	1,689	39,092	-	**49,078**	11	2,669	6	**51,763**
International Retail Banking	31,836	1,003	4,411	9	**37,258**	5	4,061	281	**41,606**
Asset Gathering	6,749	16,304	801	-	**23,854**	314	6,845	63	**31,076**
Specialised Financial Services	32,687	1,202	17,800	-	**51,689**	24	3,040	3	**54,756**
Large customers	19,951	2,530	69,524	394	**92,399**	3,384	15,019	8,796	**119,598**
Corporate Centre	4,595	8,485	7,012	-	**20,093**	-	2,339	2,447	**24,879**
TOTAL RISK-WEIGHTED ASSETS	**104,115**	**31,213**	**138,640**	**403**	**274,371**	**3,739**	**33,973**	**11,595**	**323,678**

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

31/12/2018	Credit risk								
(in millions of euros)	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	7,785	2,167	36,741	-	**46,693**	16	2,881	3	**49,593**
International Retail Banking	30,706	815	4,018	11	**35,550**	14	3,809	324	**39,697**
Asset Gathering	5,637	11,177	910	-	**17,724**	437	5,662	57	**23,880**
Specialised Financial Services	32,712	1,104	17,014	-	**50,830**	19	2,778	4	**53,631**
Large customers	19,527	4,466	67,433	280	**91,706**	3,116	15,721	7,895	**118,438**
Corporate Centre	3,077	8,485	7,236	-	**18,798**	1	549	2,306	**21,654**
TOTAL RISK-WEIGHTED ASSETS	**99,444**	**28,214**	**133,352**	**291**	**261,301**	**3,603**	**31,400**	**10,589**	**306,893**

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

Refer to the glossary page 647 for the definition of the technical terms.

3.4.1.3 Changes in risk-weighted assets

The table below shows the changes in Crédit Agricole S.A.'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	261,301	1,510	5,449	4,979	(1,646)	2,779	13,071	274,372
of which Equity risk	*28,214*	-	*733*	*4,979*	*(2,713)*	-	*3,000*	*31,213*
CVA	3,603	-	135	-	-	-	135	3,739
Market risk	10,589	-	958	-	48	-	1,006	11,595
Operational risk	31,400	-	547	-	426	1,600	2,573	33,973
TOTAL	**306,893**	**1,510**	**7,090**	**4,979**	**(1,172)**	**4,379**	**16,785**	**323,678**

Risk-weighted assets totalled €323.7 billion at 31 December 2019, an increase of €16.8 billion (+5.5%) attributable to:

- growth in business lines (+€7 billion), in particular in the Large customers division and Asset Gathering (+€3.2 billion), Retail Banking in France and abroad (+€2.3 billion) and Specialised Financial Services (+€0.5 billion);
- methodological and regulatory effects, including the first-time application of IFRS 16 (+€1.5 billion);
- the +€5 billion increase in equity-accounted value of the equity stake in Insurance companies in a context of rising interest rates that generated an increase in the unrealised gains and/or losses held by insurers;
- a negative scope effect (-€1.2 billion) with the sale of 10.9% of Crédit Agricole Corporate and Investment Bank's stake in Bank Saudi Fransi partially offset by the acquisitions of ProFamily Spa by Agos, of Kas Bank by CACEIS and by the merger with Santander Securities Services.

3.4.2 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 3.4.2.1 provides an overview of changes in credit and counterparty risk. It is followed by a more detailed look at credit risk (in part 3.4.2.2) by regulatory approach: standardised approach and using the IRB approach. Counterparty risk is covered in part 3.4.2.3 and part 3.4.2.4 covers the credit and counterparty risk mitigation techniques.

3.4.2.1 General overview of credit and counterparty risk

3.4.2.1.1 Exposures by type of risk

The table below shows Crédit Agricole S.A.'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

31/12/2019 *(in billions of euros)*	Standardised				IRB				Total				
	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 require-ment
Central governments or central banks	59.0	59.1	58.9	6.3	196.5	206.9	204.8	1.5	255.5	265.9	263.7	7.8	0.6
Institutions	44.4	64.3	61.3	7.9	404.4	409.0	405.3	8.5	448.8	473.4	466.5	16.5	1.3
Corporates	124.5	100.5	72.1	57.9	312.9	287.5	226.9	78.0	437.4	388.0	299.0	135.9	10.9
Retail customers	36.7	32.3	29.1	18.7	186.7	186.7	183.1	44.0	223.4	219.0	212.2	62.7	5.0
Loans to individuals	23.6	22.2	19.9	13.4	158.5	158.5	155.1	33.4	182.0	180.7	175.1	46.8	3.7
o/w secured by real estate assets	4.8	4.5	4.5	1.8	97.5	97.5	97.5	11.1	102.3	102.1	102.1	12.9	1.0
o/w revolving	4.1	3.9	1.9	1.4	11.7	11.7	8.3	3.4	15.7	15.5	10.2	4.9	0.4
o/w other	14.7	13.8	13.6	10.2	49.3	49.3	49.3	18.8	64.0	63.1	62.9	29.0	2.3
Loans to small and medium businesses	13.1	10.1	9.2	5.3	28.2	28.2	28.0	10.6	41.4	38.3	37.1	15.9	1.3
o/w secured by real estate assets	0.5	0.4	0.4	0.2	5.9	5.9	5.9	1.2	6.4	6.4	6.4	1.4	0.1
o/w other	12.7	9.6	8.7	5.1	22.3	22.3	22.0	9.4	35.0	31.9	30.8	14.5	1.2
Shares	0.9		0.9	1.1	17.3		7.9	26.9	18.1		8.8	27.9	2.2
Securitisations	1.2		0.9	0.6	39.8		39.8	5.0	41.0		40.7	5.6	0.4
Assets other than credit obligation	14.0		14.0	11.1	-		-	-	14.0		14.0	11.1	0.9
TOTAL	**280.7**		**237.1**	**103.6**	**1,157.7**		**1,067.8**	**163.9**	**1,438.4**		**1,304.9**	**267.5**	**21.4**

(1) Initial gross exposure.

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

Refer to the glossary page 647 for the definition of the technical terms.

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 require-ment
Central governments or central banks	53.2	53.3	53.0	5.8	167.3	177.2	174.7	1.5	220.5	230.5	227.7	7.4	0.6
Institutions	43.6	64.2	61.2	8.8	379.8	382.5	377.8	8.9	423.4	446.8	439.0	17.7	1.4
Corporates	120.8	97.1	69.5	54.8	292.0	270.7	215.4	76.6	412.8	367.8	284.9	131.5	10.5
Retail customers	36.0	32.6	29.0	18.7	174.7	174.7	171.3	41.4	210.7	207.3	200.3	60.1	4.8
Loans to individuals	23.9	22.6	19.7	13.3	148.5	148.5	145.4	32.1	172.5	171.1	165.1	45.4	3.6
o/w secured by real estate assets	4.6	4.4	4.4	1.7	89.8	89.8	89.8	10.5	94.4	94.2	94.2	12.2	1.0
o/w revolving	5.2	4.9	2.3	1.7	11.0	11.0	7.9	3.3	16.2	15.9	10.1	5.0	0.4
o/w other	14.2	13.2	13.0	9.9	47.8	47.8	47.8	18.3	61.9	61.0	60.8	28.1	2.3
Loans to small and medium businesses	12.0	10.0	9.3	5.4	26.1	26.1	25.9	9.3	38.2	36.1	35.2	14.7	1.2
o/w secured by real estate assets	0.4	0.4	0.4	0.2	5.6	5.6	5.6	1.1	6.1	6.1	6.0	1.3	0.1
o/w other	11.6	9.6	8.9	5.2	20.5	20.5	20.2	8.3	32.1	30.1	29.2	13.4	1.1
Shares	0.9		0.9	1.1	15.4		6.2	20.8	16.3		7.1	21.9	1.8
Securitisations	2.5		2.3	1.5	43.3		43.3	5.0	45.8		45.6	6.5	0.5
Assets other than credit obligation	11.3		11.2	8.7	-		-	-	11.3		11.2	8.7	0.7
TOTAL	**268.2**		**227.1**	**99.4**	**1,072.5**		**988.7**	**154.2**	**1,340.7**		**1,215.8**	**253.6**	**20.3**

(1) Initial gross exposure.

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

Measured in terms of gross exposure, Crédit Agricole S.A.'s total outstanding amounts were up 7.3% reflecting the favourable business climate in the main business lines, notably in the “Central governments and central banks” portfolio (up 15.9%).

The main portfolio remains the "Institutions" category with total gross exposure of €448.8 billion. This included €335.8 billion in exposures linked to Crédit Agricole Group internal transactions at 31 December 2019 (€314.4 billion at 31 December 2018).

Excluding these internal transactions, gross exposure for the total loan portfolio was €1,102.6 billion at 31 December 2019, up 7.4% compared to end-2018.

RWA density (defined as the ratio of risk-weighted assets/EAD) was 30% on average for retail customers and 45% for Corporates at 31 December 2019.

Total net amount and average of exposures (CRB-B)

	(in millions of euros)	31/12/2019 Net value of exposures at the end of the period	31/12/2019 Average net exposures over the period[1]	31/12/2018 Net value of exposures at the end of the period	31/12/2018 Average net exposures over the period[2]
1	Central governments or central banks	196,439	181,909	167,291	157,190
2	Institutions	404,042	398,173	379,363	374,379
3	Corporates	309,744	302,692	288,916	279,336
4	Of which: Specialised lending	64,567	63,052	58,205	56,498
5	Of which: SMEs	5,268	5,087	5,298	4,635
6	Retail	183,157	178,488	170,908	164,254
7	Secured by real estate property	103,028	99,881	94,940	90,371
8	SMEs	5,839	5,673	5,540	4,808
9	Non-SMEs	97,188	94,207	89,401	85,563
10	Qualifying revolving	11,301	11,035	10,625	10,451
11	Other retail	68,828	67,572	65,342	63,432
12	SMEs	21,317	20,573	19,505	17,902
13	Non-SMEs	47,511	47,000	45,837	45,529
14	Equity	17,270	17,102	15,395	15,794
15	**Total IRB approach**	**1,110,653**	**1,078,363**	**1,021,874**	**990,952**
16	Central governments or central banks	55,764	45,638	52,022	44,954
17	Regional governments or local authorities	600	596	604	538
18	Public sector entities	2,717	1,912	931	798
19	Multilateral development banks	79	33	37	41
20	International organisations	828	786	621	500
21	Institutions	42,244	45,669	42,391	46,407
22	Corporates	94,087	93,367	89,620	86,681
23	Of which: SMEs	18,298	14,558	13,754	11,378
24	Retail	29,920	29,905	29,383	29,706
25	Of which: SMEs	12,286	11,880	11,265	10,598
26	Secured by mortgages on immovable property	6,878	6,735	6,635	7,090
27	Of which: SMEs	1,314	1,155	1,198	1,041
28	Exposures in default	2,059	2,405	2,672	2,816
29	Items associated with particularly high risk	1,100	385	141	154
30	Covered bonds	1,044	637	-	-
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-
32	Collective investments undertakings	24,007	24,750	24,869	25,496
33	Equity exposures	856	861	916	1,053
34	Other exposures	13,979	13,638	11,218	11,494
35	**Total standardised approach**	**276,162**	**267,316**	**262,060**	**257,729**
36	**TOTAL**	**1,386,815**	**1,345,679**	**1,283,934**	**1,248,682**

(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.

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

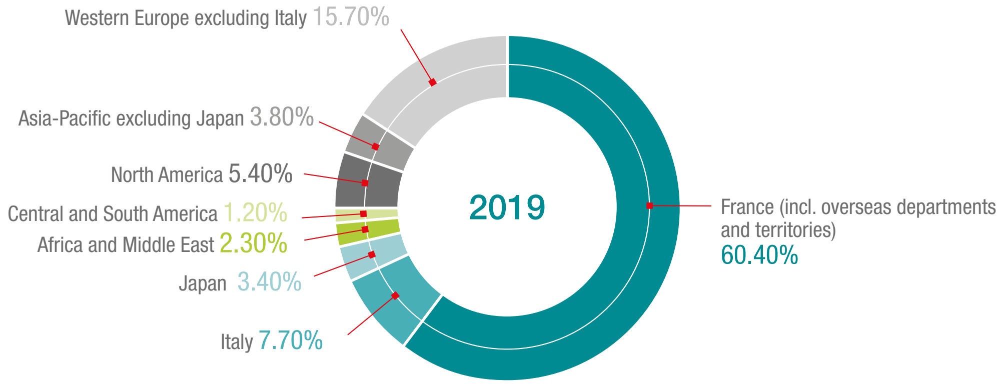
Net exposures totalled €1,386.8 billion at 31 December 2019, 80.1% of which are subject to an internal ratings-based regulatory treatment.

Refer to the glossary page 647 for the definition of the technical terms.

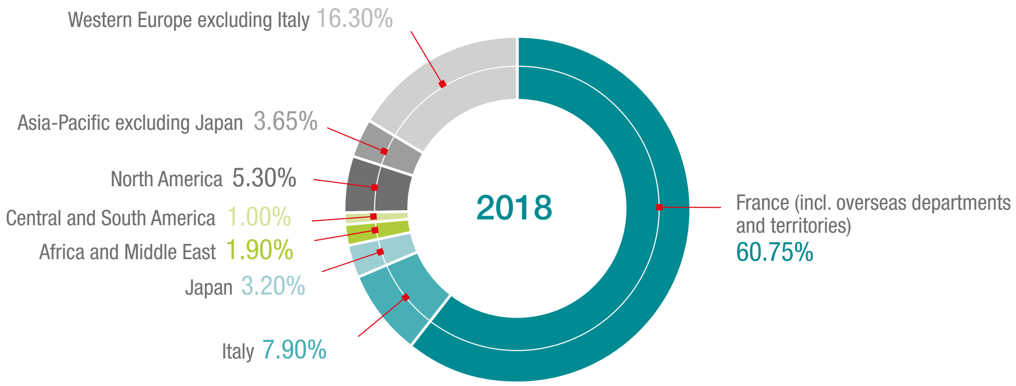
3.4.2.1.2 Exposures by geographic area

The breakdown by geographic area includes all Crédit Agricole S.A. 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	112,606	425	2,154	3,061	5,373	1,288	144	12,016
2	Institutions	360,759	733	2,647	5,210	1,903	4,234	4,281	6,761
3	Corporates	91,603	10,380	12,468	17,407	11,765	8,506	8,998	30,664
4	Retail	131,129	35,837	904	331	3,775	889	24	6,062
5	Equity	16,085	287	24	59	3	33	-	41
6	**Total IRB approach 31/12/2019**	**712,182**	**47,662**	**18,197**	**26,069**	**22,820**	**14,950**	**13,447**	**55,543**
	Total IRB approach 31/12/2018	**657,609**	**46,144**	**18,076**	**26,994**	**22,363**	**14,820**	**10,775**	**52,418**
7	Central governments or central banks	22,122	14,291	4,299	18	1,303	616	857	10,070
8	Regional governments or local authorities	408	134	-	-	13	-	-	1
9	Public sector entities	1,047	123	-	36	762	-	-	478
10	Multilateral development banks	-	-	-	-	-	-	-	-
11	International organisations	-	-	828	-	-	-	-	-
12	Institutions	13,974	3,921	344	11,096	2,155	362	1,185	2,294
13	Corporates	51,375	20,717	2,667	1,014	1,808	323	428	7,239
14	Retail	7,472	9,067	9	932	2,171	206	1,500	6,796
15	Secured by mortgages on immovable property	1,066	3,146	22	6	3	7	1	1,262
16	Exposures in default	893	785	15	9	22	1	37	216
17	Items associated with particularly high risk	464	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	17,951	3,348	1,032	-	133	-	-	1
21	Equity exposures	595	21	10	30	2	1	68	54
22	Other exposures	7,868	3,404	192	84	96	440	50	889
23	**Total standardised approach 31/12/2019**	**125,340**	**59,593**	**9,446**	**13,225**	**8,561**	**1,956**	**4,181**	**29,519**
	Total standardised approach 31/12/2018	**122,136**	**55,302**	**18,888**	**13,081**	**8,360**	**1,533**	**3,269**	**18,991**
24	**TOTAL 31/12/2019**	**837,523**	**107,256**	**27,642**	**39,294**	**31,381**	**16,906**	**17,628**	**85,058**
	TOTAL 31/12/2018	779,745	101,446	36,964	40,075	30,723	16,353	14,044	71,409

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

At 31 December 2019, total exposure for the scope defined above was €1,386.8 billion (of which €335.8 billion in Crédit Agricole S.A. internal transactions), compared with €1,283.9 billion at 31 December 2018.

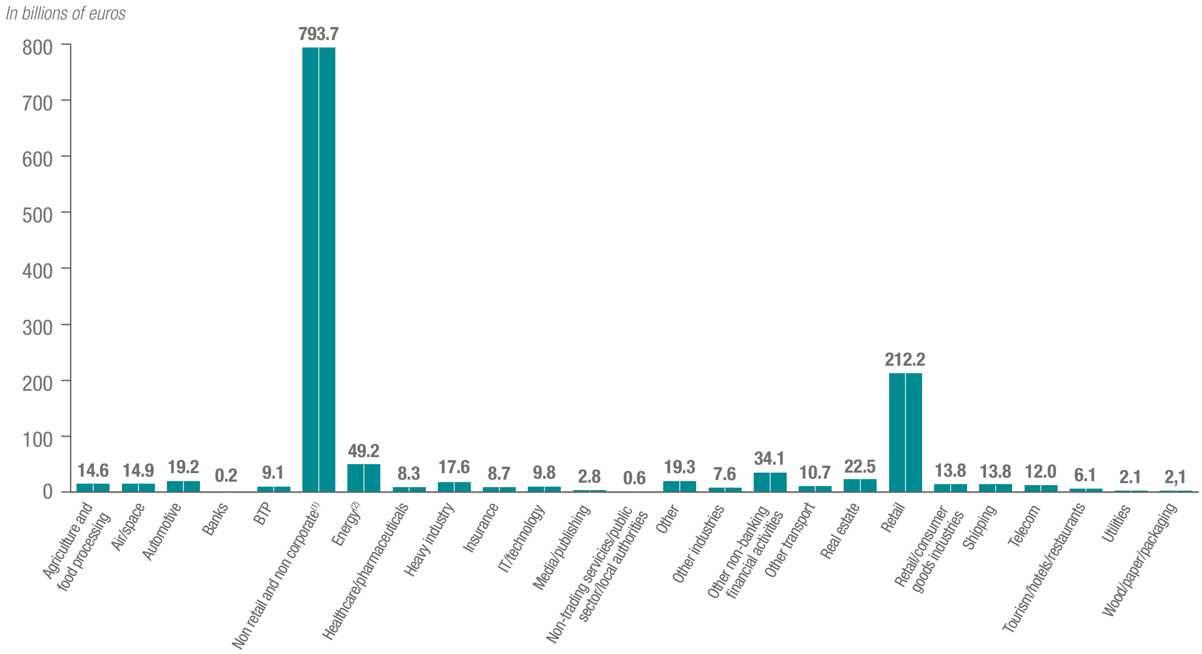
For all supervisory approaches (*i.e.* based on internal ratings and standardised), concerning Retail customers, the Group's exposure is concentrated on two countries: France and Italy represent 86.1% of exposures. The other portfolios are more geographically diversified. For example, 31.3% of exposures in the Corporates portfolio are located outside Europe, primarily in North America and Asia.

Refer to the glossary page 647 for the definition of the technical terms.

Asia and Oceania		North America				
Japan	Others	USA	Others	Central and South America	Africa and Middle East	Total
33,889	6,665	9,326	2,346	784	6,359	**196,438**
2,102	7,607	1,850	498	194	5,264	**404,042**
8,595	32,142	51,140	4,206	13,359	8,508	**309,744**
179	2,786	20	48	220	953	**183,157**
6	16	208	-	53	452	**17,270**
44,770	**49,218**	**62,544**	**7,098**	**14,612**	**21,540**	**1,110,652**
38,663	**43,681**	**57,921**	**5,690**	**11,205**	**15,512**	**1,021,874**
56	75	174	36	79	1,765	**55,764**
-	-	-	45	-	-	**600**
-	1	267	-	-	3	**2,717**
-	-	-	-	-	75	**75**
-	-	-	-	-	-	**828**
1,323	1,723	2,227	239	282	1,116	**42,244**
59	1,509	752	601	857	4,742	**94,090**
7	94	73	39	475	1,075	**29,920**
-	-	9	1	-	1,353	**6,878**
-	6	-	-	-	72	**2,059**
-	-	-	-	-	-	**1,100**
-	26	-	526	-	-	**1,044**
-	-	-	-	-	-	**-**
1,176	328	25	-	-	12	**24,007**
2	3	3	4	1	62	**856**
27	253	247	3	25	399	**13,979**
2,650	**4,019**	**3,775**	**1,495**	**1,722**	**10,677**	**276,162**
2,253	**3,315**	**3,494**	**720**	**1,406**	**9,311**	**262,059**
47,420	**53,235**	**66,319**	**8,594**	**16,334**	**32,217**	**1,386,815**
40,915	46,998	61,415	6,410	12,614	24,823	1,283,934

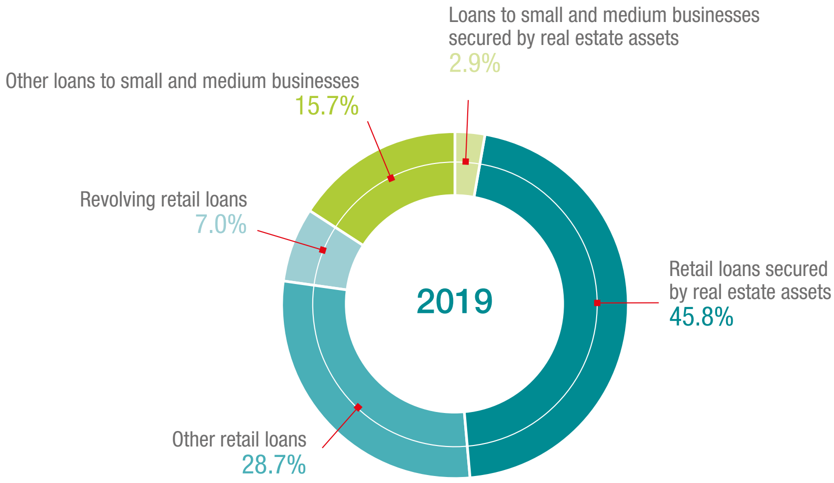
3.4.2.1.3 Exposures by business sector

Breakdown of the Corporates EAD (total EAD €1,304.9bn at 31 December 2019)



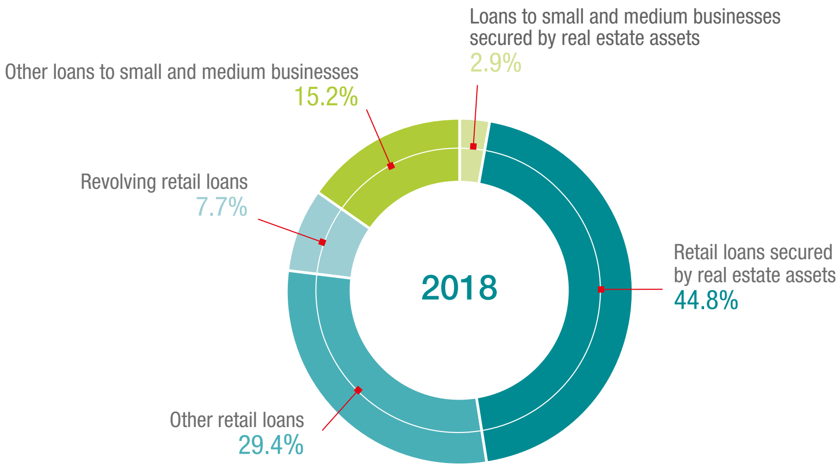
(1) Central government, central banks, institutions, shares, securitisations and assets other than obligations.
(2) Including €28.1billion for Oil & Gas EAD for CACIB perimeter (including €4.9 billion on commodity traders).

Retail customers at 31 December 2019



Refer to the glossary page 647 for the definition of the technical terms.

Retail customers at 31 December 2018



Breakdown of the Retail customers portfolio

The chart above shows a breakdown of the Crédit Agricole S.A.'s Retail customers portfolio exposures by Basel sub-portfolio (outstanding amounts of €223.4 billion at 31 December 2019 compared with €210.7 billion at 31 December 2018, an increase of +6.0% 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 (45.8% in 2019, compared with 44.8% in 2018). Conversely, the share of "revolving exposures to individuals" fell further in 2019 to 7.0% of outstanding retail customer loans from 7.7% 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	Construction	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	-	-	118	-	-	-
2	Institutions	30	-	67	56	11	1	250	40	1	24	1
3	Corporates	1,125	20,707	79,133	23,644	10,326	24,387	9,163	33,210	4,310	20,838	271
4	Retail	1,442	4	768	19	633	433	576	192	349	81	25
5	Equity	215	9	131	1	10	69	2	53	16	8	1
6	**Total IRB approach 31/12/2019**	**2,812**	**20,720**	**80,099**	**23,720**	**10,984**	**24,890**	**9,991**	**33,613**	**4,676**	**20,951**	**298**
	Total IRB approach 31/12/2018	**2,494**	**20,078**	**75,596**	**22,599**	**10,723**	**23,055**	**10,102**	**32,426**	**4,903**	**17,049**	**251**
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	-	47	-	-	28
-10	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-
11	International organisations	-	-	-	-	-	-	-	-	-	-	-
12	Institutions	-	9	96	1	-	-	2	-	-	19	-
13	Corporates	1,562	368	14,352	2,583	2,353	5,675	5,649	2,060	653	1,288	46
14	Retail	978	350	1,475	149	901	685	746	936	275	192	82
15	Secured by mortgages on immovable property	209	2	187	12	17	72	53	30	130	14	4
16	Exposures in default	54	7	281	10	279	91	116	38	43	14	5
17	Items associated with particularly high risk	8	-	1	-	153	-	-	-	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	8	3	6	6	14	60	1	-	-
23	**Total standardised approach 31/12/2019**	**2,845**	**859**	**16,401**	**2,802**	**3,717**	**6,581**	**6,580**	**3,197**	**1,105**	**1,534**	**165**
24	**Total standardised approach 31/12/2018**	**2,563**	**653**	**14,473**	**2,754**	**3,656**	**6,144**	**7,210**	**2,839**	**1,132**	**1,284**	**189**
24	**TOTAL 31/12/2019**	**5,657**	**21,579**	**96,500**	**26,522**	**14,701**	**31,471**	**16,571**	**36,810**	**5,781**	**22,485**	**463**
	TOTAL 31/12/2018	5,057	20,730	90,069	25,354	14,379	29,199	17,312	35,265	6,035	18,333	440

Refer to the glossary page 647 for the definition of the technical terms.

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, compulsory 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	111	151,733	-	-	-	43,349	714	23	-	-	387	**196,439**
2	Institutions	502	398,892	13	-	66	2,914	49	21	-	10	1,094	**404,042**
3	Corporates	19,474	41,308	7,536	4,070	3,289	150	4,881	226	59	952	685	**309,744**
4	Retail	1,849	1,492	204	451	96	-	144	178	172,831	50	1,340	**183,157**
5	Equity	77	3,644	414	110	44	1	14	-	21	4	12,426	**17,270**
6	**Total IRB approach 31/12/2019**	**22,013**	**597,069**	**8,167**	**4,631**	**3,495**	**46,414**	**5,802**	**448**	**172,911**	**1,016**	**15,933**	**1,110,653**
	Total IRB approach 31/12/2018	**20,324**	**535,175**	**7,981**	**4,783**	**3,213**	**40,534**	**5,551**	**403**	**161,001**	**1,217**	**22,416**	**1,021,874**
7	Central governments or central banks	-	31,989	-	-	-	10,364	-	-	-	-	13,286	**55,765**
8	Regional governments or local authorities	-	-	-	-	-	545	4	-	-	-	45	**600**
9	Public sector entities	21	838	-	9	13	686	104	17	-	15	880	**2,717**
10	Multilateral development banks	-	79	-	-	-	-	-	-	-	-	0	**79**
11	International organisations	-	-	-	-	-	828	-	-	-	-	0	**828**
12	Institutions	-	38,505	5	-	-	-	-	-	-	-	3,607	**42,244**
13	Corporates	14,375	28,616	1,328	792	1,023	66	623	131	173	261	10,110	**94,087**
14	Retail	339	188	245	376	188	5	305	229	18,797	87	2,392	**29,920**
15	Secured by mortgages on immovable property	928	30	10	19	14	-	28	3	5,043	12	61	**6,878**
16	Exposures in default	326	33	22	23	12	0	6	6	530	17	146	**2,059**
17	Items associated with particularly high risk	461	-	-	-	3	-	-	-	-	-	471	**1,100**
18	Covered bonds	-	653	-	-	-	-	-		-	-	391	**1,044**
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	**-**
20	Collective investments undertakings	8	20,199	-	-	-	-	-	-	-	-	3,800	**24,007**
21	Equity exposures	100	67	1	1	-	-	-	-	-	-	586	**856**
22	Other exposures	29	1	14	1	3	1	1	-	-	-	13,828	**13,979**
23	**Total standardised approach 31/12/2019**	**16,587**	**121,198**	**1,625**	**1,221**	**1,256**	**12,495**	**1,071**	**386**	**24,543**	**392**	**49,602**	**276,162**
	Total standardised approach 31/12/2018	**16,387**	**92,369**	**1,136**	**1,276**	**1,500**	**13,540**	**1,083**	**410**	**25,770**	**406**	**65,286**	**262,060**
24	**TOTAL 31/12/2019**	**38,600**	**718,267**	**9,792**	**5,852**	**4,751**	**58,909**	**6,873**	**834**	**197,454**	**1,408**	**65,535**	**1,386,815**
	TOTAL 31/12/2018	36,711	627,544	9,117	6,059	4,713	54,074	6,634	813	186,772	1,623	87,702	1,283,934

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

3.4.2.1.4 Exposures by residual maturity

Maturity of exposures (CRB-E)

31/12/2019		Exposures net of impairment					
(in millions of euros)		On demand	≤1 year	>1 year ≤5 years	>5 years	No stated maturity	Total
1	Central governments or central banks	90,952	62,282	23,542	19,172	491	**196,439**
2	Institutions	4,560	143,912	128,989	125,596	985	**404,042**
3	Corporates	4,808	107,117	150,503	43,474	3,842	**309,744**
4	Retail	1,135	-	-	180,507	1,515	**183,157**
5	Equity	-	1	-	391	16,878	**17,270**
6	**Total IRB approach 31/12/2019**	**101,455**	**313,312**	**303,034**	**369,141**	**23,711**	**1,110,653**
	Total IRB approach 31/12/2018	**116,971**	**291,089**	**259,547**	**325,217**	**29,050**	**1,021,874**
7	Central governments or central banks	30,628	2,277	7,251	2,323	13,286	**55,765**
8	Regional governments or local authorities	6	55	87	419	33	**600**
9	Public sector entities	18	302	1,246	279	872	**2,717**
10	Multilateral development banks	-	21	58	-	0	**79**
11	International organisations	-	-	828	-	0	**828**
12	Institutions	3,035	15,960	14,728	4,916	3,605	**42,244**
13	Corporates	4,834	42,835	24,180	12,615	9,623	**94,087**
14	Retail	702	615	399	28,204	0	**29,920**
15	Secured by mortgages on immovable property	4	49	378	6,387	60	**6,878**
16	Exposures in default	261	286	551	819	142	**2,059**
17	Items associated with particularly high risk	85	118	255	171	471	**1,100**
18	Covered bonds	-	48	604	-	392	**1,044**
19	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	**-**
20	Collective investments undertakings		2,933	10,680	6,611	3,783	**24,007**
21	Equity exposures	-	-	-	14	842	**856**
22	Other exposures	-	49	89	6	13,835	**13,979**
23	**Total standardised approach 31/12/2019**	**39,574**	**65,548**	**61,335**	**62,765**	**46,940**	**276,162**
	Total standardised approach 31/12/2018	**42,412**	**49,402**	**45,257**	**59,751**	**65,238**	**262,060**
24	**TOTAL 31/12/2019**	**141,028**	**378,860**	**364,370**	**431,906**	**70,651**	**1,386,815**
	TOTAL 31/12/2018	**159,383**	**340,492**	**304,804**	**384,968**	**94,288**	**1,283,934**

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

Refer to the glossary page 647 for the definition of the technical terms.

3.4.2.1.5 Defaulted exposures and value adjustments

Credit quality of exposures by exposure class and instrument (CR1-A)

31/12/2019		Gross carrying values of			
(in millions of euros)		Defaulted exposures	Non-defaulted exposures	Provisions/ Impairment	Net values
1	Central governments or central banks	117	196,370	48	196,439
2	Institutions	420	404,019	397	404,042
3	Corporates	5,084	307,851	3,191	309,744
4	Of which: Specialised lending	1,219	63,919	571	64,567
5	Of which: SMEs	218	5,228	178	5,268
6	Retail	4,510	182,214	3,567	183,157
7	Secured by real estate property	1,072	102,418	462	103,028
8	SMEs	237	5,711	108	5,839
9	Non-SMEs	836	96,707	354	97,188
10	Qualifying revolving	301	11,353	354	11,301
11	Other retail	3,136	68,442	2,751	68,828
12	SMEs	1,291	20,993	967	21,317
13	Non-SMEs	1,845	47,449	1,783	47,511
14	Equity	-	17,270	-	17,270
15	**Total IRB approach 31/12/2019**	**10,131**	**1,107,723**	**7,202**	**1,110,653**
	Total IRB approach 31/12/2018	**8,856**	**1,020,358**	**7,340**	**1,021,874**
16	Central governments or central banks	-	55,785	21	55,764
17	Regional governments or local authorities	-	601	1	600
18	Public sector entities	-	2,720	3	2,717
19	Multilateral development banks	-	79	-	79
20	International organisations	-	829	-	828
21	Institutions	-	42,252	8	42,244
22	Corporates	-	94,500	413	94,087
23	Of which: SMEs	-	18,405	107	18,298
24	Retail	-	30,220	300	29,920
25	Of which: SMEs	-	12,334	48	12,286
26	Secured by mortgages on immovable property	-	6,905	27	6,878
27	Of which: SMEs	-	1,314	-	1,314
28	Exposures in default	4,497	-	2,438	2,059
29	Items associated with particularly high risk	-	1,113	13	1,100
30	Covered bonds	-	1,044	1	1,044
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-
32	Collective investments undertakings	-	24,032	25	24,007
33	Equity exposures	-	856	-	856
34	Other exposures	-	14,044	65	13,979
35	**Total standardised approach 31/12/2019**	**4,497**	**274,980**	**3,314**	**276,162**
	Total standardised approach 31/12/2018	**5,429**	**260,325**	**3,695**	**262,060**
36	**TOTAL 31/12/2019**	**14,629**	**1,382,702**	**10,516**	**1,386,815**
	TOTAL 31/12/2018	**14,285**	**1,280,683**	**11,035**	**1,283,934**

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

Defaulted exposures stood at €14.6 billion at 31 December 2019, an increase of +2.4% compared to 31 December 2018.They represent 1.0% of total gross exposures, the same as at end-2018.

Quality of credit exposures by industry or counterparty types (CR1-B)

31/12/2019		Gross carrying values of			
(in millions of euros)		Defaulted exposures	Non-defaulted exposures	Provisions and depreciation	Net values
1	Agriculture, forestry and fishing	188	5,607	138	5,657
2	Mining and quarrying	357	21,299	77	21,579
3	Manufacturing	1,335	95,990	825	96,500
4	Production and distribution	103	26,493	74	26,522
5	Construction and water supply	916	14,296	511	14,701
6	Wholesale trade	564	31,262	355	31,471
7	Retail trade	661	16,159	249	16,571
8	Transport and storage	1,857	35,454	501	36,810
9	Accommodation and food service activities	262	5,674	155	5,781
10	Information and communication	69	22,435	19	22,485
11	Education	8	458	3	463
12	Real estate activities	768	38,205	373	38,600
13	Finance and insurance companies	856	718,092	681	718,267
14	Financial holding companies	243	9,750	201	9,792
15	Professional, scientific and technical activities	74	5,829	51	5,852
16	Administrative and support service activities	47	4,745	41	4,751
17	Public administration and defence, compulsory social security	121	58,818	30	58,909
18	Human health services and social work activities	70	6,820	17	6,873
19	Other personal services	16	829	11	834
20	Private persons	5,865	195,551	3,962	197,454
21	Arts, entertainment and recreation	63	1,377	32	1,408
22	Other services	186	67,559	2,210	65,535
23	**TOTAL 31/12/2019**	**14,629**	**1,382,702**	**10,516**	**1,386,815**
24	TOTAL 31/12/2018	14,285	1,280,683	11,035	1,283,934

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

Quality of credit exposures by geography (CR1-C)

31/12/2019		Gross carrying values of			
(in millions of euros)		Defaulted exposures	Non-defaulted exposures	Provisions and depreciation	Net values
1	**Europe**	**11,414**	**1,159,805**	**8,475**	**1,162,744**
2	France	5,169	836,237	3,883	837,523
3	Italy	4,108	106,276	3,128	107,256
4	United Kingdom	143	39,304	153	39,294
5	Germany	166	31,379	164	31,381
6	Luxembourg	80	27,610	47	27,642
7	Switzerland	16	16,983	93	16,906
8	Netherland	301	17,442	115	17,628
9	Others (Europe)	1,431	84,574	892	85,114
10	**Asia & Oceania**	**341**	**100,428**	**113**	**100,656**
11	Japan	-	47,432	12	47,420
12	Others (Asia & Oceania)	341	52,996	101	53,236
13	**North America**	**855**	**74,582**	**524**	**74,913**
14	USA	803	66,008	492	66,319
15	Others (North America)	52	8,574	32	8,594
16	**Central & South America**	**577**	**16,129**	**372**	**16,334**
17	**Africa & Middle East**	**1,442**	**31,758**	**1,033**	**32,168**
18	**TOTAL 31/12/2019**	**14,629**	**1,382,702**	**10,516**	**1,386,815**
	TOTAL 31/12/2018	14,285	1,280,683	11,035	1,283,934

NB: Of which €335,796 million in Crédit Agricole internal transactions at 31 December 2019.
Of which €314,375 million in Crédit Agricole internal transactions at 31 December 2018.

Refer to the glossary page 647 for the definition of the technical terms.

Ageing of past-due exposures (CR1-D)

31/12/2019		Gross carrying values					
(in millions of euros)		≤30 days	>30 days ≤60 days	>60 days ≤90 days	>90 days ≤180 days	>180 days ≤1 year	>1 year
1	Loans	4,501	1,124	1,192	883	578	2,615
2	Debt Securities	914	348	9	-	-	-
3	Total exposures	5,415	1,472	1,201	883	578	2,615

31/12/2018		Gross carrying values					
(in millions of euros)		≤30 days	>30 days ≤60 days	>60 days ≤90 days	>90 days ≤180 days	>180 days ≤1 year	>1 year
1	Loans	5,358	1,953	870	1,151	678	2,924
2	Debt Securities	-	-	-	-	-	-
3	Total exposures	5,358	1,953	870	1,151	678	2,924

Exposures up to 60 days past due account for 57% of total past-due exposures at 31 December 2019 and 57% on 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							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
			of which performing but past due >30 days and ≤90 days	of which performing forborne	of which non-performing				On performing exposures		On non-performing exposures			
						of which: defaulted	of which: impaired	of which: forborne		of which: forborne		of which: forborne	On non-performing exposures	of which: forborne exposures
10	Debt securities	104,549	368	12	110	80	80	-	(61)	-	(18)	-	-	-
20	Loans and advances	945,159	2,214	2,865	15,104	13,861	13,861	5,958	(2,033)	(202)	(7,796)	(2,533)	3,662	2,794
30	Off-balance sheet exposures	467,922	-	149	4,612	3,576	-	71	(489)	(13)	(422)	(9)	278	38

31/12/2018 *(in millions of euros)*		Gross carrying amount of performing and non-performing exposures							Accumulated impairment and provisions and negative fair value adjustments due to credit risk				Collaterals and financial guarantees received	
			of which performing but past due >30 days and ≤90 days	of which performing forborne	of which non-performing				On performing exposures		On non-performing exposures			
						of which: defaulted	of which: impaired	of which: forborne		of which: forborne		of which: forborne	On non-performing exposures	of which: forborne exposures
10	Debt securities	95,324	-	11	99	79	79	-	(37)	-	(17)	-	-	-
20	Loans and advances	866,146	2,223	3,340	14,745	13,644	13,644	5,878	(2,221)	(255)	(7,957)	(2,571)	3,659	3,129
30	Off-balance sheet exposures	478,191	-	131	3,923	3,037	-	54	(545)	(4)	(328)	(6)	38	61

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 at end-2019 in part 1.2 “Accounting policies and principles” of Chapter 6.

Credit quality of forborne exposures (Template 1)

31/12/2019		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			On performing forbone exposures	On non-performing forbone exposures	
				of which defaulted	of which impaired			
(in millions of euros)		a	b	c	d	f	g	h
1	**Loans and advances**	**2,865**	**5,958**	**5,283**	**5,300**	**(202)**	**(2,533)**	**2,794**
2	Central banks	-	-	-	-	-	-	-
3	General governments	26	4	3	3	(1)	(3)	4
4	Credit institutions	-	51	51	51	-	(26)	-
5	Other financial corporations	3	46	44	44	-	(30)	5
6	Non-financial corporations	2,087	4,038	3,862	3,856	(129)	(1,825)	2,163
7	Households	749	1,818	1,322	1,346	(73)	(649)	623
8	**Debt Securities**	**12**	**-**	**-**	**-**	**-**	**-**	**-**
9	**Loan commitments given**	**149**	**71**	**64**	**64**	**(13)**	**(9)**	**38**
10	**TOTAL**	**3,025**	**6,029**	**5,348**	**5,365**	**(216)**	**(2,542)**	**2,832**

31/12/2018		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			On performing forbone exposures	On non-performing forbone exposures	
				of which defaulted	of which impaired			
(in millions of euros)		a	b	c	d	f	g	h
1	**Loans and advances**	**3,340**	**5,878**	**5,246**	**5,268**	**(255)**	**(2,571)**	**3,129**
2	Central banks	-	-	-	-	-	-	-
3	General governments	21	6	6	6	(1)	(4)	2
4	Credit institutions	-	51	51	51	-	(25)	-
5	Other financial corporations	3	152	152	152	(1)	(86)	3
6	Non-financial corporations	2,447	3,869	3,636	3,639	(173)	(1,651)	2,377
7	Households	869	1,799	1,401	1,420	(80)	(805)	747
8	**Debt Securities**	**11**	**-**	**-**	**-**	**-**	**-**	**-**
9	**Loan commitments given**	**131**	**54**	**37**	**28**	**(4)**	**(6)**	**61**
10	**TOTAL**	**3,483**	**5,932**	**5,283**	**5,296**	**(259)**	**(2,577)**	**3,190**

Refer to the glossary page 647 for the definition of the technical terms.

Quality of performing and non-performing exposures (Template 3)

31/12/2019 *(in millions of euros)*	a	b	c	d	e	f	g	h	i	j
	Gross carrying amount/nominal amount									
	Performing exposures			Non-performing exposures						
		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	**930,055**	**927,841**	**2,214**	**15,104**	**5,445**	**1,312**	**1,497**	**5,214**	**1,635**	**13,861**
2 Central banks	114,466	114,466	-	-	-	-	-	-	-	-
3 General governments	10,230	10,158	72	114	39	1	-	52	23	114
4 Credit institutions	413,583	413,482	101	509	326	80	-	-	102	509
5 Other financial corporations	17,042	17,024	18	456	58	-	3	27	367	453
6 Non-financial corporations	212,827	211,348	1,479	9,280	3,197	817	548	3,876	842	8,692
7 Of which SMEs	42,567	42,371	196	3,436	677	148	273	2,138	200	3,249
8 Households	161,908	161,363	545	4,746	1,825	415	946	1,259	301	4,093
9 Debt Securities	**104,439**	**104,072**	**368**	**110**	**107**	-	-	-	**3**	**80**
10 Central banks	4,651	4,651	-	-	-	-	-	-	-	-
11 General governments	47,211	47,211	-	2	2	-	-	-	-	-
12 Credit institutions	26,614	26,614	-	1	-	-	-	-	1	1
13 Other financial corporations	17,186	16,829	358	81	81	-	-	-	-	53
14 Non-financial corporations	8,776	8,766	10	26	23	-	-	-	3	26
15 Off-balance sheet exposures	**463,310**			**4,612**						**3,576**
16 Central banks	136,450									
17 General governments	13,356			31						31
18 Credit institutions	50,614			48						48
19 Other financial corporations	65,713			1,993						1,993
20 Non-financial corporations	177,685			2,375						1,458
21 Households	19,492			166						47
22 TOTAL	**1,497,804**	**1,031,913**	**2,582**	**19,826**	**5,552**	**1,312**	**1,497**	**5,214**	**1,639**	**17,517**

Refer to the glossary page 647 for the definition of the technical terms.

Forborne exposures by credit category (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	**930,055**	**899,214**	**30,316**	**15,104**	**1,214**	**13,861**	**(2,033)**	**(832)**	**(1,201)**	**(7,796)**	**(108)**	**(7,689)**	**3,662**
2 Central banks	114,466	114,466	0	-	-	-	(14)	(14)	-	-	-	-	-
3 General governments	10,230	10,051	180	114	0	114	(11)	(8)	(3)	(32)	-	(32)	77
4 Credit institutions	413,583	413,556	27	509	-	509	(30)	(30)	(0)	(392)	-	(392)	-
5 Other financial corporations	17,042	16,878	156	456	2	453	(30)	(23)	(6)	(370)	(1)	(369)	11
6 Non-financial corporations	212,827	194,764	17,716	9,280	588	8,692	(1,096)	(428)	(668)	(4,573)	(45)	(4,528)	2,641
7 Of which: SMEs	42,567	38,455	4,112	3,436	187	3,249	(372)	(154)	(217)	(1,858)	(38)	(1,820)	794
8 Households	161,908	149,499	12,238	4,746	624	4,093	(852)	(329)	(524)	(2,430)	(62)	(2,368)	933
9 Debt Securities	**104,439**	**100,400**	**1,189**	**110**	**-**	**80**	**(61)**	**(46)**	**(15)**	**(18)**	**-**	**(18)**	**-**
10 Central banks	4,651	4,105	546	-	-	-	(3)	(2)	(2)	-	-	-	-
11 General governments	47,211	46,874	262	2	-	-	(27)	(25)	(2)	-	-	-	-
12 Credit institutions	26,614	26,579	-	1	-	1	(12)	(12)	-	(1)	-	(1)	-
13 Other financial corporations	17,186	14,101	360	81	-	53	(13)	(3)	(10)	-	-	-	-
14 Non-financial corporations	8,776	8,741	21	26	-	26	(4)	(3)	(1)	(17)	-	(17)	-
15 Off-balance sheet exposures	**463,310**	**454,578**	**8,696**	**4,612**	**1,036**	**3,576**	**(489)**	**(219)**	**(270)**	**(422)**	**(25)**	**(398)**	**278**
16 Central banks	136,450	136,449	0	-	-	-	(0)	(0)	-	-	-	-	-
17 General governments	13,356	13,113	243	31	-	31	(1)	(1)	(1)	(0)	-	(0)	9
18 Credit institutions	50,614	50,550	28	48	-	48	(4)	(3)	(1)	(22)	-	(22)	-
19 Other financial corporations	65,713	65,659	54	1,993	-	1,993	(9)	(8)	(1)	(26)	-	(26)	1
20 Non-financial corporations	177,685	170,127	7,559	2,375	917	1,458	(377)	(155)	(221)	(338)	(20)	(318)	255
21 Households	19,492	18,680	811	166	119	47	(98)	(52)	(46)	(35)	(5)	(31)	14
22 TOTAL	**1,497,804**	**1,454,192**	**40,202**	**19,826**	**2,251**	**17,517**	**(2,583)**	**(1,097)**	**(1,486)**	**(8,237)**	**(132)**	**(8,104)**	**3,940**

Refer to the glossary page 647 for the definition of the technical terms.

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**	**908**	**1,453**	**7,863**	**10,223**
2	Increases due to origination and acquisition	457	580	-	**1,037**
3	Decreases due to derecognition	(433)	(516)	(549)	**(1,498)**
4	Changes due to change in credit risk (net)	(52)	(195)	1,833	**1,586**
5	Changes due to modifications without derecognition (net)	4	0	13	**18**
6	Changes due to update in the institution's methodology for estimation (net)	-	-	-	**-**
7	Decrease in allowance account due to write-offs	-	-	(1,389)	**(1,389)**
8	Other adjustments	(21)	2	(81)	**(99)**
9	**Closing balance(1)**	**864**	**1,324**	**7,690**	**9,878**
10	Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	-	-	(392)	**(392)**
11	Amounts written-off directly to the statement of profit or loss	-	-	231	**231**

(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**	**888**	**1,592**	**9,084**	**11,564**
2	Increases due to origination and acquisition	614	472	-	**1,086**
3	Decreases due to derecognition	(275)	(447)	(969)	**(1,691)**
4	Changes due to change in credit risk (net)	(333)	(125)	2,006	**1,548**
5	Changes due to modifications without derecognition (net)	28	4	214	**246**
6	Changes due to update in the institution's methodology for estimation (net)	-	-	-	**-**
7	Decrease in allowance account due to write-offs	-	-	(2,475)	**(2,475)**
8	Other adjustments	(14)	(43)	2	**(55)**
9	**Closing balance(1)**	**908**	**1,453**	**7,862**	**10,223**
10	Recoveries of previously written-off amounts recorded directly to the statement of profit or loss	-	-	(239)	**(239)**
11	Amounts written-off directly to the statement of profit or loss	-	-	198	**198**

(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 (CR2-B)

		Gross carrying value defaulted exposures	
(in millions of euros)		31/12/2019	31/12/2018
1	**Opening balance**	**13,723**	**15,700**
2	Loans and debt securities that have defaulted or impaired since the last reporting period	2,976	2,163
3	Returned to non-defaulted status	(369)	(439)
4	Amounts written off	(1,336)	(1,763)
5	Other changes	(1,052)	(1,938)
6	**Closing balance**	**13,941**	**13,723**

3.4.2.2 Credit risk

Since late 2007, the ACPR has authorised Crédit Agricole S.A. 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 Crédit Agricole 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.

3.4.2.2.1 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, Crédit Agricole S.A. 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)

31/12/2019 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	53,160	147	53,160	46	6,312	11.86%
2	Regional governments or local authorities	535	65	535	32	109	19.22%
3	Public sector entities	2,660	37	2,664	25	147	5.47%
4	Multilateral developments banks	79	-	120	-	21	17.50%
5	International organisations	828	-	828	-	-	-
6	Institutions	20,829	4,254	41,864	2,669	6,427	14.43%
7	Corporate	67,637	22,302	48,331	7,494	47,559	85.19%
8	Retail	25,827	4,078	23,103	639	16,271	68.53%
9	Secured by mortgages on immovable property	6,825	53	6,672	17	2,778	41.53%
10	Equity	851	6	851	6	1,048	122.29%
11	Exposure in default	1,929	126	1,468	57	1,819	119.28%
12	Higher-risk categories	938	162	938	84	1,533	150.00%
13	Covered bonds	1,044	-	1,044	-	169	16.19%
14	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Collective investment undertakings	2,927	21,079	2,927	6,400	3,820	40.96%
16	Other items	13,979	-	13,979	-	11,123	79.57%
17	**TOTAL**	**200,048**	**52,309**	**198,484**	**17,468**	**99,137**	**45.91%**

Refer to the glossary page 647 for the definition of the technical terms.

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	49,407	340	49,560	85	5,791	11.66%
2	Regional governments or local authorities	546	58	545	24	109	19.16%
3	Public sector entities	872	43	870	23	209	23.40%
4	Multilateral developments banks	31	6	31	3	3	8.82%
5	International organisations	621	-	621	-	-	-
6	Institutions	22,361	4,298	42,656	2,490	6,895	15.27%
7	Corporate	66,210	21,339	46,545	7,123	46,180	86.05%
8	Retail	25,187	4,192	23,181	591	16,254	68.37%
9	Secured by mortgages on immovable property	6,599	36	6,465	14	2,680	41.36%
10	Equity	911	5	911	5	1,082	118.12%
11	Exposure in default	2,481	186	2,403	61	2,909	118.06%
12	Higher-risk categories	141	-	141	-	212	150.35%
13	Covered bonds	-	-	-	-	-	-
14	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
15	Collective investment undertakings	4,194	20,675	4,194	6,126	3,704	35.89%
16	Other items	11,218	-	11,218	4	8,670	77.26%
17	**TOTAL**	**190,779**	**51,177**	**189,342**	**16,550**	**94,698**	**45.99%**

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	De-ducted	Total	o/w unrated
1	Central governments or central banks	48,234	-	-	-	99	-	376	-	-	3,418	8	-	-	-	-	1,070	53,206	53,205
2	Regional governments or local authorities	23	-	-	-	543	-	-	-	-	1	-	-	-	-	-	-	567	567
3	Public sector entities	2,294	-	-	-	292	-	29	-	-	74	-	-	-	-	-	-	2,689	2,661
4	Multilateral developments banks	98	-	-	-	-	-	-	-	-	21	-	-	-	-	-	-	120	120
5	International organisations	828	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	828	828
6	Institutions	24,857	2,275	-	-	10,391	-	5,491	-	-	1,442	77	-	-	-	-	-	44,533	35,622
7	Corporate	-	-	-	-	4,669	-	9,295	-	-	40,410	1,450	-	-	-	-	-	55,825	32,947
8	Retail	-	-	-	-	-	-	-	-	23,742	-	-	-	-	-	-	-	23,742	23,742
9	Secured by mortgages on immovable property	-	-	-	-	-	4,323	1,780	-	570	16	-	-	-	-	-	-	6,688	6,688
10	Equity exposure	-	-	-	-	-	-	-	-	-	728	-	128	-	-	-	-	857	856
11	Exposure in default	-	-	-	-	-	-	-	-	-	937	588	-	-	-	-	-	1,525	1,525
12	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	1,022	-	-	-	-	-	1,022	1,022
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	4,060	-	3	17	788	-	1,720	-	-	2,617	122	-	-	-	-	-	9,327	8,634
16	Other items	1,923	-	-	-	1,166	-	-	-	-	10,890	-	-	-	-	-	-	13,979	13,979
17	**TOTAL**	**82,318**	**2,275**	**3**	**669**	**18,309**	**4,323**	**18,691**	**-**	**24,312**	**60,586**	**3,268**	**128**	**-**	**-**	**-**	**1,070**	**215,952**	**182,397**

Refer to the glossary page 647 for the definition of the technical terms.

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	45,258	-	-	-	127	-	387	-	-	2,714	40	-	-	-	-	1,119	49,645	49,645
2 Regional governments or local authorities	24	-	-	-	546	-	-	-	-	-	-	-	-	-	-	-	569	569
3 Public sector entities	406	-	-	-	287	-	97	-	-	104	-	-	-	-	-	-	893	798
4 Multilateral developments banks	31	-	-	-	-	-	-	-	-	3	-	-	-	-	-	-	34	34
5 International organisations	621	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	621	621
6 Institutions	24,925	1,410	-	-	10,781	-	6,689	-	-	1,290	50	-	-	-	-	-	45,147	34,719
7 Corporate	-	-	-	-	3,986	-	9,077	-	-	39,348	1,258	-	-	-	-	-	53,668	31,784
8 Retail	-	-	-	-	-	-	-	-	23,772	-	-	-	-	-	-	-	23,772	23,772
9 Secured by mortgages on immovable property	-	-	-	-	-	4,277	1,707	-	477	17	-	-	-	-	-	-	6,479	6,479
10 Equity exposure	-	-	-	-	-	-	-	-	-	806	-	110	-	-	-	-	916	916
11 Exposure in default	-	-	-	-	-	-	-	-	-	1,574	890	-	-	-	-	-	2,464	2,464
12 Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	141	-	-	-	-	-	141	141
13 Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14 Claims on institutions and corporate with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
15 Claims in the form of CIU	4,820	-	2	30	1,085	-	1,860	-	-	2,463	60	-	-	-	-	-	10,320	9,749
16 Other items	1,694	-	-	-	1,072	-	-	-	-	8,455	-	-	-	-	-	-	11,222	11,222
17 TOTAL	**77,779**	**1,410**	**2**	**30**	**17,883**	**4,277**	**19,816**	**-**	**24,249**	**56,775**	**2,440**	**110**	**-**	**-**	**-**	**1,119**	**205,892**	**172,914**

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.

3.4.2.2.2 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 Crédit Agricole S.A. 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 Crédit Agricole S.A.

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 Crédit Agricole S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 Methodology 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 – 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 – LCL	12
	Retail banking – Crédit Agricole Consumer Finance	16
	Retail banking – CACIB	1
	Retail banking – CA Italia	2
CCF	Retail banking – LCL	3
	Retail banking – Crédit Agricole Consumer Finance	4

3.4.2.2.3 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	98,742	50	61.60%	98,827	0.00%	45.00%		461	0.47%	-	-
	0.15 to <0.25	113	-	-	113	0.16%	45.00%		46	41.15%	-	-
	0.25 to <0.50	-	-	-	-	-	-		-	-	-	-
	0.50 to <0.75	-	-	-	-	0.65%	45.00%		-	80.00%	-	-
	0.75 to <2.50	1	-	-	1	1.39%	45.00%		1	112.06%	-	-
	2.50 to <10.00	-	-	-	-	-	-		-	-	-	-
	10.00 to <100.00	-	-	-	-	20.00%	45.00%		-	260.30%	-	-
	100.00 (Default)	-	-	-	-	-	-		-	-	-	-
	Sub-total	**98,855**	**50**	**61.60%**	**98,941**	**0.00%**	**45.00%**		**508**	**0.51%**	**-**	**19**
Institutions	0.00 to <0.15	345,671	1,936	57.93%	346,845	0.03%	1.14%		1,792	0.52%	1	-
	0.15 to <0.25	234	16	70.58%	246	0.16%	22.97%		63	25.55%	-	-
	0.25 to <0.50	13	2	20.00%	13	0.30%	45.00%		10	71.19%	-	-
	0.50 to <0.75	89	13	50.28%	95	0.60%	45.00%		98	103.10%	-	-
	0.75 to <2.50	84	23	34.50%	92	0.88%	41.24%		95	103.10%	-	-
	2.50 to <10.00	-	3	39.69%	2	5.00%	45.00%		3	175.07%	-	-
	10.00 to <100.00	127	1	33.25%	127	19.99%	11.48%		82	64.53%	3	-
	100.00 (Default)	-	-	-	-	100.00%	45.06%		-	-	-	-
	Sub-total	**346,218**	**1,994**	**57.62%**	**347,420**	**0.04%**	**1.19%**		**2,142**	**0.62%**	**5**	**1**
Corporates – Other	0.00 to <0.15	8,870	5,886	79.31%	13,587	0.04%	44.83%		2,726	20.06%	3	-
	0.15 to <0.25	2,731	2,252	79.28%	4,523	0.16%	44.66%		1,902	42.06%	3	-
	0.25 to <0.50	3,221	3,405	73.10%	5,690	0.30%	44.66%		3,344	58.78%	8	-
	0.50 to <0.75	2,990	2,012	73.24%	4,455	0.60%	44.59%		3,633	81.55%	12	-
	0.75 to <2.50	3,778	2,643	75.48%	5,697	1.20%	44.64%		5,908	103.71%	30	-
	2.50 to <10.00	164	139	88.98%	288	5.00%	44.63%		462	160.79%	6	-
	10.00 to <100.00	219	149	54.85%	297	16.83%	44.67%		722	243.17%	22	-
	100.00 (Default)	562	237	48.30%	674	100.00%	44.97%		-	-	303	-
	Sub-total	**22,535**	**16,722**	**76.15%**	**35,211**	**2.45%**	**44.72%**		**18,698**	**53.10%**	**388**	**491**
Corporates – SME	0.00 to <0.15	58	36	96.18%	93	0.05%	45.00%		16	17.19%	-	-
	0.15 to <0.25	181	96	91.55%	271	0.16%	44.29%		98	36.26%	-	-
	0.25 to <0.50	328	131	84.31%	437	0.30%	44.76%		231	52.76%	1	-
	0.50 to <0.75	435	143	83.67%	554	0.60%	44.54%		385	69.42%	1	-
	0.75 to <2.50	2,236	465	71.75%	2,530	1.32%	44.03%		2,241	88.57%	15	-
	2.50 to <10.00	148	27	64.44%	159	5.00%	44.00%		202	127.60%	3	-
	10.00 to <100.00	119	31	71.22%	135	15.32%	43.68%		247	183.50%	9	-
	100.00 (Default)	202	14	43.71%	205	100.00%	44.83%		-	-	92	-
	Sub-total	**3,707**	**944**	**77.68%**	**4,385**	**6.21%**	**44.23%**		**3,421**	**78.01%**	**121**	**172**
TOTAL (ALL PORTFOLIOS)		**471,330**	**19,720**	**74.28%**	**485,979**	**0.26%**	**13.65%**		**24,787**	**5.10%**	**514**	**682**

Refer to the glossary page 647 for the definition of the technical terms.

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 adjustments and provisions
Central governments and central banks	0.00 to <0.15	83,844	80	68.17%	83,926	0.00%	45.00%	-	613	0.73%	1	-
	0.15 to <0.25	112	-	-	112	0.16%	45.00%	-	46	41.15%	-	-
	0.25 to <0.50	-	-	-	-	-	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	0.63%	44.98%	-	-	79.94%	-	-
	0.75 to <2.50	1	-	-	1	1.42%	45.00%	-	1	112.67%	-	-
	2.50 to <10.00	-	-	-	-	-	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	**83,957**	**80**	**68.17%**	**84,039**	**0.00%**	**45.00%**	**-**	**660**	**0.79%**	**1**	**7**
Institutions	0.00 to <0.15	322,296	2,022	57.10%	323,509	0.03%	1.09%	-	1,643	0.51%	1	-
	0.15 to <0.25	170	51	68.33%	205	0.16%	24.60%	-	51	24.77%	-	-
	0.25 to <0.50	372	21	32.24%	379	0.30%	37.60%	-	240	63.28%	-	-
	0.50 to <0.75	137	25	45.44%	149	0.60%	45.00%	-	153	102.70%	-	-
	0.75 to <2.50	57	11	62.49%	64	0.96%	44.98%	-	73	114.83%	-	-
	2.50 to <10.00	3	2	67.23%	5	5.00%	45.00%	-	9	184.16%	-	-
	10.00 to <100.00	10	1	25.18%	10	19.77%	45.00%	-	26	252.39%	1	-
	100.00 (Default)	-	-	-	-	-	-	-	-	-	-	-
	Sub-total	**323,047**	**2,133**	**57.01%**	**324,321**	**0.03%**	**1.18%**	**-**	**2,195**	**0.68%**	**3**	**5**
Corporates – Other	0.00 to <0.15	8,852	7,243	83.76%	14,952	0.04%	44.95%	-	3,009	20.13%	3	-
	0.15 to <0.25	2,750	2,189	76.66%	4,429	0.16%	44.88%	-	1,867	42.15%	3	-
	0.25 to <0.50	2,793	2,994	73.25%	4,955	0.30%	44.77%	-	2,914	58.81%	7	-
	0.50 to <0.75	2,785	2,171	78.79%	4,485	0.60%	44.82%	-	3,666	81.73%	12	-
	0.75 to <2.50	3,316	2,297	69.82%	4,908	1.15%	44.67%	-	5,024	102.37%	25	-
	2.50 to <10.00	156	175	85.46%	305	5.00%	44.77%	-	493	161.53%	7	-
	10.00 to <100.00	322	138	70.05%	418	18.87%	44.82%	-	1,053	251.55%	35	-
	100.00 (Default)	330	73	71.61%	379	100.00%	44.89%	-	-	-	170	-
	Sub-total	**21,303**	**17,279**	**78.44%**	**34,831**	**1.68%**	**44.86%**	**-**	**18,025**	**51.75%**	**262**	**422**
Corporates – SME	0.00 to <0.15	86	118	84.51%	186	0.05%	45.00%	-	32	17.22%	-	-
	0.15 to <0.25	204	60	91.00%	259	0.16%	44.95%	-	92	35.46%	-	-
	0.25 to <0.50	350	114	79.01%	441	0.30%	44.87%	-	224	50.94%	1	-
	0.50 to <0.75	416	112	79.12%	503	0.60%	44.40%	-	348	69.21%	1	-
	0.75 to <2.50	2,151	509	74.07%	2,479	1.32%	44.23%	-	2,200	88.75%	14	-
	2.50 to <10.00	139	22	64.67%	150	5.00%	44.11%	-	189	126.07%	3	-
	10.00 to <100.00	82	18	40.15%	84	15.68%	43.90%	-	161	191.47%	6	-
	100.00 (Default)	176	9	57.87%	178	100.00%	44.78%	-	-	-	80	-
	Sub-total	**3,605**	**963**	**76.62%**	**4,280**	**5.52%**	**44.41%**	**-**	**3,247**	**75.87%**	**105**	**149**
TOTAL (ALL PORTFOLIOS)		**431,912**	**20,454**	**76.07%**	**447,471**	**0.21%**	**13.23%**	**-**	**24,127**	**5.39%**	**372**	**583**

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 adjust-ments 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	24,115	2,653	90.32%	31,674	0.03%	10.06%	678	956	3.02%	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	26.31%	493	0.60%	47.10%	505	310	62.92%	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	**27,635**	**5,975**	**76.39%**	**34,652**	**1.24%**	**12.60%**	**674**	**2,304**	**6.65%**	**393**	**396**
Corporates – Other	0.00 to <0.15	24,474	53,923	53.61%	52,898	0.04%	34.90%	758	7,286	13.78%	8	-
	0.15 to <0.25	11,849	19,075	46.27%	17,767	0.16%	43.10%	823	5,946	33.47%	11	-
	0.25 to <0.50	10,192	17,401	48.81%	14,471	0.30%	45.94%	871	7,068	48.84%	16	-
	0.50 to <0.75	7,643	9,302	57.58%	9,165	0.60%	46.30%	823	6,451	70.39%	20	-
	0.75 to <2.50	9,717	11,350	55.74%	10,093	1.11%	47.62%	927	8,479	84.01%	40	-
	2.50 to <10.00	605	440	46.06%	250	5.00%	52.83%	1,078	416	166.14%	5	-
	10.00 to <100.00	1,055	1,604	33.32%	841	15.48%	35.91%	657	1,360	161.65%	39	-
	100.00 (Default)	1,882	898	31.27%	1,986	100.00%	45.39%	899	292	14.68%	1,507	-
	Sub-total	**67,417**	**113,993**	**51.79%**	**107,472**	**2.23%**	**40.15%**	**808**	**37,297**	**34.71%**	**1,646**	**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	52.90%	151	1.53%	32.86%	907	96	63.87%	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**	**30.63%**	**315**	**2.93%**	**40.20%**	**861**	**213**	**67.62%**	**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	4,905	49.81%	10,201	1.10%	13.45%	1,242	3,328	32.63%	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**	**15,517**	**56.16%**	**55,044**	**2.79%**	**11.51%**	**1,258**	**10,002**	**18.17%**	**447**	**571**

Refer to the glossary page 647 for the definition of the technical terms.

(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	39,206	1,717	100.00%	40,924	0.09%	11.54%		1,139	2.78%	4	-
	0.15 to <0.25	4,944	13	100.00%	4,957	0.22%	17.12%		389	7.86%	2	-
	0.25 to <0.50	21,773	1,010	100.00%	22,783	0.42%	11.24%		1,867	8.20%	11	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	18,954	1,644	100.00%	20,597	1.49%	11.28%		3,906	18.96%	34	-
	2.50 to <10.00	6,512	486	100.00%	6,998	5.65%	11.75%		3,018	43.12%	47	-
	10.00 to <100.00	437	10	100.00%	447	27.50%	-		350	78.27%	16	-
	100.00 (Default)	829	7	99.50%	836	100.00%	36.39%		453	54.18%	304	-
	Sub-total	**92,655**	**4,887**	**100.00%**	**97,543**	**1.70%**	**11.85%**		**11,122**	**11.40%**	**418**	**358**
Retail – Other SME	0.00 to <0.15	110	2,363	56.63%	1,448	0.09%	64.70%		56	3.84%	1	-
	0.15 to <0.25	11	347	27.08%	105	0.25%	54.83%		8	7.55%	-	-
	0.25 to <0.50	218	2,225	61.43%	1,585	0.48%	65.53%		240	15.13%	5	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	1,004	1,995	56.65%	2,134	1.67%	61.05%		777	36.39%	22	-
	2.50 to <10.00	1,676	1,203	70.57%	2,524	5.03%	62.12%		1,938	76.78%	78	-
	10.00 to <100.00	170	32	73.76%	194	34.40%	61.64%		331	170.88%	40	-
	100.00 (Default)	300	2	70.23%	303	100.00%	85.62%		100	33.13%	260	-
	Sub-total	**3,489**	**8,166**	**58.81%**	**8,293**	**6.32%**	**64.15%**		**3,449**	**41.59%**	**405**	**354**
Retail – Qualifying revolving	0.00 to <0.15	14,242	453	95.96%	14,677	0.09%	12.54%		446	3.04%	2	-
	0.15 to <0.25	3,074	56	84.47%	3,124	0.21%	25.05%		344	11.02%	2	-
	0.25 to <0.50	4,882	258	98.16%	5,135	0.45%	37.40%		1,354	26.37%	9	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	13,153	567	104.02%	13,744	1.44%	45.70%		7,577	55.13%	91	-
	2.50 to <10.00	9,423	155	100.57%	9,582	4.58%	49.52%		7,251	75.68%	204	-
	10.00 to <100.00	1,181	5	93.65%	1,189	11.53%	18.39%		1,212	101.99%	225	-
	100.00 (Default)	1,841	4	75.24%	1,857	100.00%	71.65%		614	33.09%	1,367	-
	Sub-total	**47,795**	**1,499**	**99.38%**	**49,308**	**5.29%**	**34.29%**		**18,799**	**38.13%**	**1,899**	**1,832**
Retail – Secured by immovable property SME	0.00 to <0.15	211	-	-	211	0.11%	17.16%		8	3.68%	-	-
	0.15 to <0.25	641	4	100.00%	644	0.21%	14.74%		33	5.07%	-	-
	0.25 to <0.50	1,644	11	100.00%	1,655	0.53%	14.82%		161	9.71%	1	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	1,612	24	100.00%	1,636	1.25%	14.24%		271	16.57%	3	-
	2.50 to <10.00	1,317	60	100.00%	1,377	5.22%	13.81%		502	36.43%	10	-
	10.00 to <100.00	176	12	100.00%	188	12.50%	9.51%		127	67.57%	7	-
	100.00 (Default)	236	-	100.00%	237	100.00%	45.76%		93	39.50%	108	-
	Sub-total	**5,837**	**110**	**100.00%**	**5,948**	**5.91%**	**15.69%**		**1,195**	**20.08%**	**130**	**108**
Retail – Other non-SME	0.00 to <0.15	158	6	94.41%	163	0.11%	18.74%		8	5.08%	-	-
	0.15 to <0.25	3,816	168	83.14%	3,956	0.21%	34.04%		925	23.39%	3	-
	0.25 to <0.50	5,292	330	73.24%	5,534	0.53%	34.90%		1,795	32.43%	10	-
	0.50 to <0.75	-	-	-	-	-	-		-	-	-	-
	0.75 to <2.50	5,194	271	78.80%	5,407	1.28%	37.45%		2,415	44.66%	26	-
	2.50 to <10.00	4,634	360	81.28%	4,926	5.01%	37.84%		3,103	62.99%	92	-
	10.00 to <100.00	713	47	91.93%	757	14.71%	-		741	97.90%	68	-
	100.00 (Default)	1,259	32	75.73%	1,285	100.00%	78.73%		454	35.29%	1,002	-
	Sub-total	**21,066**	**1,214**	**79.13%**	**22,029**	**7.96%**	**37.30%**		**9,441**	**42.86%**	**1,202**	**967**
TOTAL (ALL PORTFOLIOS)		**401,266**	**155,113**	**57.34%**	**480,964**	**2.31%**	**20.39%**		**94,668**	**19.68%**	**6,569**	**6,572**

Refer to the glossary page 647 for the definition of the technical terms.

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 adjust-ments 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	21,439	3,671	83.99%	26,882	0.03%	11.31%	608	929	3.46%	1	-
	0.15 to <0.25	814	492	46.90%	501	0.16%	38.49%	759	230	46.00%	-	-
	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	44.30%	565	0.60%	52.66%	425	383	67.74%	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	**24,807**	**7,238**	**70.72%**	**30,447**	**1.38%**	**15.01%**	**606**	**2,897**	**9.52%**	**409**	**400**
Corporates – Other	0.00 to <0.15	24,839	52,479	54.05%	51,939	0.04%	35.57%	730	7,382	14.21%	8	-
	0.15 to <0.25	10,366	15,375	56.74%	16,328	0.16%	43.59%	965	6,007	36.79%	10	-
	0.25 to <0.50	7,098	16,846	48.19%	11,779	0.30%	49.51%	959	6,306	53.53%	14	-
	0.50 to <0.75	7,763	8,937	59.27%	9,493	0.60%	45.77%	919	6,761	71.22%	21	-
	0.75 to <2.50	8,218	10,956	56.01%	10,561	1.10%	45.60%	1,109	9,755	92.37%	43	-
	2.50 to <10.00	495	636	55.96%	304	5.00%	50.28%	773	418	137.67%	6	-
	10.00 to <100.00	944	1,704	36.15%	952	15.53%	41.71%	1,004	1,591	167.14%	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**	**107,215**	**53.82%**	**102,935**	**1.94%**	**40.65%**	**854**	**38,232**	**37.14%**	**1,460**	**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%	217	1.33%	36.03%	1,056	160	73.77%	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**	**60.44%**	**444**	**9.66%**	**40.12%**	**1,222**	**356**	**80.23%**	**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	2,683	45.15%	7,961	0.60%	11.62%	1,286	1,736	21.81%	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**	**13,584**	**57.21%**	**50,890**	**3.14%**	**11.74%**	**1,304**	**9,832**	**19.32%**	**489**	**761**

Refer to the glossary page 647 for the definition of the technical terms.

(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	35,383	1,578	100.00%	36,961	0.09%	11.68%	-	1,044	2.82%	4	-
	0.15 to <0.25	4,533	15	100.00%	4,548	0.22%	17.37%	-	364	8.00%	2	-
	0.25 to <0.50	20,035	900	100.00%	20,935	0.43%	11.29%	-	1,751	8.37%	10	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	17,503	1,179	100.00%	18,682	1.49%	11.29%	-	3,544	18.97%	31	-
	2.50 to <10.00	6,470	905	100.00%	7,375	5.40%	11.60%	-	3,063	41.53%	47	-
	10.00 to <100.00	389	8	100.00%	398	27.24%	-	-	318	79.89%	14	-
	100.00 (Default)	877	2	99.12%	879	100.00%	38.92%	-	389	44.23%	342	-
	Sub-total	**85,190**	**4,588**	**100.00%**	**89,778**	**1.85%**	**11.98%**	**-**	**10,472**	**11.66%**	**450**	**377**
Retail – Other SME	0.00 to <0.15	146	2,340	54.81%	1,429	0.09%	68.56%	-	58	4.09%	1	-
	0.15 to <0.25	13	346	26.41%	104	0.25%	56.34%	-	9	8.39%	-	-
	0.25 to <0.50	218	1,987	60.44%	1,419	0.45%	65.53%	-	205	14.42%	4	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	961	1,836	57.18%	2,010	1.70%	61.48%	-	747	37.13%	21	-
	2.50 to <10.00	1,661	983	74.04%	2,389	5.30%	61.61%	-	1,894	79.30%	77	-
	10.00 to <100.00	171	28	74.80%	191	35.04%	61.51%	-	331	172.72%	40	-
	100.00 (Default)	318	2	66.04%	319	100.00%	85.92%	-	63	19.79%	274	-
	Sub-total	**3,488**	**7,521**	**58.16%**	**7,862**	**6.87%**	**64.98%**	**-**	**3,306**	**42.05%**	**419**	**384**
Retail – Qualifying revolving	0.00 to <0.15	14,319	437	95.55%	14,736	0.09%	12.13%	-	441	3.00%	2	-
	0.15 to <0.25	2,442	57	86.96%	2,491	0.21%	27.18%	-	302	12.13%	1	-
	0.25 to <0.50	4,546	280	99.18%	4,824	0.46%	37.62%	-	1,292	26.79%	8	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	12,362	454	104.28%	12,835	1.46%	46.41%	-	7,254	56.52%	88	-
	2.50 to <10.00	9,453	245	100.80%	9,700	4.70%	49.27%	-	7,338	75.65%	211	-
	10.00 to <100.00	1,170	4	98.89%	1,173	10.40%	16.52%	-	1,194	101.78%	235	-
	100.00 (Default)	1,990	4	80.89%	1,993	100.00%	71.77%	-	452	22.70%	1,476	-
	Sub-total	**46,282**	**1,480**	**99.43%**	**47,753**	**5.73%**	**34.42%**	**-**	**18,275**	**38.27%**	**2,021**	**1,977**
Retail – Secured by immovable property SME	0.00 to <0.15	205	-	100.00%	205	0.11%	17.62%	-	8	3.82%	-	-
	0.15 to <0.25	597	7	100.00%	604	0.20%	14.92%	-	29	4.88%	-	-
	0.25 to <0.50	1,615	13	100.00%	1,629	0.52%	15.15%	-	160	9.81%	1	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	1,502	23	100.00%	1,525	1.24%	14.61%	-	259	16.98%	3	-
	2.50 to <10.00	1,201	37	100.00%	1,238	5.09%	14.10%	-	455	36.74%	9	-
	10.00 to <100.00	202	8	100.00%	210	11.37%	8.99%	-	145	69.07%	8	-
	100.00 (Default)	236	-	-	236	100.00%	42.76%	-	38	15.97%	101	-
	Sub-total	**5,559**	**88**	**100.00%**	**5,647**	**6.08%**	**15.85%**	**-**	**1,093**	**19.36%**	**123**	**107**
Retail – Other non-SME	0.00 to <0.15	152	7	68.89%	157	0.11%	20.49%	-	10	6.39%	-	-
	0.15 to <0.25	3,213	142	83.07%	3,332	0.19%	32.88%	-	700	21.00%	2	-
	0.25 to <0.50	4,961	289	73.64%	5,173	0.52%	34.71%	-	1,672	32.32%	9	-
	0.50 to <0.75	-	-	-	-	-	-	-	-	-	-	-
	0.75 to <2.50	4,640	280	77.19%	4,856	1.28%	36.84%	-	2,055	42.33%	23	-
	2.50 to <10.00	4,413	324	81.38%	4,676	4.90%	37.67%	-	2,864	61.24%	86	-
	10.00 to <100.00	727	52	87.85%	773	13.41%	-	-	735	95.07%	72	-
	100.00 (Default)	1,252	31	71.54%	1,274	100.00%	78.08%	-	219	17.17%	994	-
	Sub-total	**19,358**	**1,124**	**78.51%**	**20,241**	**8.48%**	**36.92%**	**-**	**8,254**	**40.78%**	**1,187**	**977**
TOTAL (ALL PORTFOLIOS)		**361,180**	**147,413**	**58.49%**	**439,074**	**2.48%**	**21.42%**	**-**	**93,447**	**21.28%**	**6,590**	**6,810**

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, 71% of gross exposures to the “Retail loans secured by real estate assets” portfolio have a PD of under 0.5%, while this figure is 44% 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 53.3% of total Retail customer EAD but only 10.3% 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 of exposure	Geographical area	PD	LGD	PD	LGD
LOANS TO SME					
o/w other loans	**All geographical areas**	**2.55%**	**36.07%**	**2.69%**	**35.66%**
	France (including overseas departments and territories)	2.53%	32.80%	2.60%	31.85%
	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**	**2.63%**	**14.49%**	**2.70%**	**14.83%**
	France (including overseas departments and territories)	2.65%	13.31%	2.58%	13.58%
	Italy	2.59%	16.80%	2.90%	17.00%
LOANS TO INDIVIDUAL CUSTOMERS					
o/w secured by real estate assets	**All geographical areas**	**1.00%**	**11.72%**	**1.03%**	**11.80%**
	France (including overseas departments and territories)	1.03%	10.66%	1.07%	10.70%
	Italy	0.86%	17.17%	0.87%	17.37%
o/w revolving	**All geographical areas**	**2.98%**	**62.87%**	**3.13%**	**63.55%**
	France (including overseas departments and territories)	2.67%	59.11%	2.67%	61.69%
	Italy	3.51%	69.34%	4.08%	67.40%
o/w others	**All geographical areas**	**2.30%**	**33.84%**	**2.38%**	**33.87%**
	France (including overseas departments and territories)	3.08%	34.35%	3.17%	34.36%
	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%**	**30.91%**	**0.57%**	**31.60%**
	France (including overseas departments and territories)	0.65%	28.11%	0.56%	30.03%
	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	0.34%	32.43%	0.33%	33.05%
	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	**0.09%**	**15.08%**	**0.17%**	**16.42%**
	France (including overseas departments and territories)	0.08%	14.03%	0.18%	14.15%
	North America	0.09%	10.44%	0.11%	13.85%
	Western Europe excluding Italy	0.09%	14.70%	0.11%	18.17%
	Italy	0.05%	6.01%	0.22%	28.86%
	Japan	0.14%	22.59%	0.13%	22.02%
	Asia-Pacific excluding Japan	0.15%	29.61%	0.16%	32.07%
	Africa and Middle East	0.10%	22.97%	0.08%	36.61%
	Eastern Europe	0.56%	57.04%	0.64%	75.03%

Only the following entities located in France (Crédit Agricole SA social entity and LCL) use the F-IRB approach for their RWA calculations on the Central governments and central banks, institutions and corporates exposure classes.

Refer to the glossary page 647 for the definition of the technical terms.

3.4.2.2.4 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**

3.4.2.2.5 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)**	**145,788**	**11,663**
2	Asset size	5,466	437
3	Asset quality	2,408	193
4	Model updates	(265)	(21)
5	Methodology and policy	-	-
6	Acquisitions and disposals	308	25
7	Foreign exchange movements	895	72
8	Other	(3,931)	(314)
9	**RWAs as at the end of the reporting period (31/12/2019)**	**150,669**	**12,053**

3.4.2.2.6 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) – Retail customers at 31 December 2019

Exposure class	PD range	Weighted average PD	Arithmetic average PD by obligors(1)	Number of obligors: End of previous year	Number of obligors: End of the year	Defaulted obligors in the year	Average historical annual default rate
Individuals customers	0 to <0.15	0.1%	0.1%	3,489,657	3,568,650	2,636	0.1%
	0.15 to <0.25	0.2%	0.2%	107,256	118,618	166	0.2%
	0.25 to <0.50	0.3%	0.3%	1,666,179	1,665,176	5,200	0.3%
	0.50 to <0.75	0.6%	0.6%	1,004,353	1,207,666	4,675	0.5%
	0.75 to <2.50	1.5%	1.4%	2,922,841	3,119,872	35,879	1.3%
	2.50 to <10.00	4.7%	4.9%	1,913,262	1,439,332	75,983	4.6%
	10.00 to <100	27.3%	26.2%	408,644	1,097,760	104,918	25.0%
	TOTAL	**1.6%**	**1.5%**	**11,512,192**	**12,217,074**	**229,457**	**1.4%**
Business customers	0 to <0.15						
	0.15 to <0.25	0.2%	0.2%	85,788	90,666	178	0.2%
	0.25 to <0.50	0.4%	0.4%	1,445	4,328	4	0.3%
	0.50 to <0.75	0.5%	0.5%	81,391	93,360	416	0.4%
	0.75 to <2.50	1.3%	1.3%	84,440	100,975	999	1.1%
	2.50 to <10.00	4.9%	4.0%	124,262	134,851	4,770	3.3%
	10.00 to <100	20.9%	23.0%	26,932	32,469	5,683	21.3%
	TOTAL	**2.5%**	**3.3%**	**404,258**	**456,649**	**12,050**	**2.8%**

(1) The performance of the rating methodologies is measured by way of regular backtestings, in accordance with regulation. Backtestings compare 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	23%	17%
Business customers	30%	25%

Refer to the glossary page 647 for the definition of the technical terms.

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: End of previous year	Number of obligors: End of the year	Defaulted obligors in the year	Average historical annual default rate
Sovereigns	0 to <0.15	0.0%	0.0%	100	100	-	0.0%
	0.15 to <0.25	0.2%	0.2%	17	30	-	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%**	**175**	**185**	**2**	**0.6%**
Local authorities[(2)]	0 to <0.15	0.0%	0.0%	6,627	7,494	4	0.0%
	0.15 to <0.25	0.2%	0.2%	125	115	-	0.0%
	0.25 to <0.50	0.3%	0.3%	81	77	-	0.7%
	0.50 to <0.75	0.6%	0.6%	50	60	-	0.0%
	0.75 to <2.50	1.2%	1.2%	11	20	-	0.0%
	2.50 to <10.00	5.0%	5.0%	2	2	-	0.0%
	10.00 to <100	12.0%	17.3%	4	3	-	4.0%
	TOTAL	**0.1%**	**0.1%**	**6,900**	**7,771**	**4**	**0.0%**
Financial institutions	0 to <0.15	0.0%	0.0%	2,638	2,656	-	0.0%
	0.15 to <0.25	0.2%	0.2%	783	905	-	0.0%
	0.25 to <0.50	0.3%	0.3%	755	668	-	0.0%
	0.50 to <0.75	0.6%	0.6%	579	479	-	0.0%
	0.75 to <2.50	1.0%	1.1%	264	277	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%**	**5,132**	**5,110**	**1**	**0.0%**
Corporates[(2)]	0 to <0.15	0.0%	0.0%	1,865	1,845	-	0.0%
	0.15 to <0.25	0.2%	0.2%	1,638	1,708	2	0.1%
	0.25 to <0.50	0.3%	0.3%	3,281	3,163	3	0.2%
	0.50 to <0.75	0.6%	0.6%	4,214	4,418	7	0.2%
	0.75 to <2.50	1.2%	1.4%	17,889	18,340	226	0.8%
	2.50 to <10.00	5.0%	5.0%	2,707	2,867	95	3.5%
	10.00 to <100	14.9%	15.0%	1,912	2,068	192	9.5%
	TOTAL	**0.6%**	**2.2%**	**33,506**	**34,409**	**525**	**1.4%**
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%	468	483	-	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	439	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	-	7.6%
	TOTAL	**1.1%**	**1.1%**	**1,514**	**1,631**	**4**	**0.9%**

(1) The performance of the rating methodologies is measured by way of regular backtestings, in accordance with regulation. Backtestings compare 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) LDG internal models in the process of recalibration.

3.4.2.2.7 Comparison between estimated and actual losses

The Expected Losses (EL)/Exposure at Default (EAD) ratio was 1.26% at 31 December 2019 (1.36% 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 1.05% at 31 December 2019, compared with 1.18% at end-2018.

3.4.2.3 Counterparty risk

Crédit Agricole S.A. and its subsidiaries calculate counterparty risk for all their 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. Crédit Agricole S.A. uses the market price method to measure its exposure to counterparty risk on transactions on forward financial instruments in the banking portfolio (Art. 274) or the internal model method (Art. 283) within the scope of Crédit Agricole CIB.

3.4.2.3.1 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	17.2	14.7	1.0	22.6	23.2	4.1	39.8	37.9	5.1	0.4
Corporates	4.2	3.0	2.8	25.0	24.5	8.4	29.2	27.5	11.2	0.9
Retail Customers	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Other non credit-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**23.8**	**20.2**	**3.9**	**53.1**	**53.1**	**12.6**	**76.9**	**73.4**	**16.5**	**1.3**

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	15.8	15.0	1.6	22.5	23.1	3.8	38.3	38.1	5.3	0.4
Corporates	2.1	1.7	1.6	22.7	22.0	6.9	24.8	23.7	8.5	0.7
Retail Customers	-	-	-	-	-	-	-	-	-	-
Shares	-	-	-	-	-	-	-	-	-	-
Securitisations	-	-	-	-	-	-	-	-	-	-
Other non credit-obligation assets	-	-	-	-	-	-	-	-	-	-
TOTAL	**20.1**	**19.0**	**3.2**	**52.9**	**52.6**	**10.8**	**73.0**	**71.6**	**14.0**	**1.1**

The total gross exposure to counterparty risk was €76.9 billion at 31 December 2019 (in the form of derivatives: €54.9 billion and in the form of securities financing transactions: €22.0 billion.

Refer to the glossary page 647 for the definition of the technical terms.

3.4.2.3.2 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	-	1,642	2,535	-	-	5,544	2,596
2	Original exposure	-	-	-	-	-		
3	Standardised approach	-	-	-	-	-		
4	IMM (for derivatives and SFTs)	-	-	-	22,308	1.55	34,578	8,937
5	Of which securities financing transactions	-	-	-	-			-
6	Of which derivatives and long settlement transactions	-	-	-	22,308	1.55	34,578	8,937
7	Of which from contractual cross- product netting	-	-	-	-	-		
8	Financial collateral simple method (for SFTs)	-	-	-	-	-		
9	Financial collateral comprehensive method (for SFTs)	-	-	-	-	-	18,765	3,340
10	VaR for SFTs	-	-	-	-	-		
11	**TOTAL 31/12/2019**	**-**	**-**	**-**	**-**	**-**		**14,873**
	TOTAL 31/12/2018							12,630

3.4.2.3.3 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 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	2,450	-	-	-	-	-	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	-	-	1,488	-	951	-	-	18	3	-	14,739	12,938
Corporate	-	-	-	-	10	-	374	-	-	2,615	19	-	3,018	2,301
Retail	-	-	-	-	-	-	-	-	15	-	-	-	15	15
Default	-	-	-	-	-	-	-	-	-	-	3	-	3	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**2,459**	**12,279**	**-**	**-**	**1,504**	**-**	**1,332**	**-**	**15**	**2,636**	**26**	**-**	**20,251**	**17,721**

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)	34	9,899	-	-	3,965	-	1,010	-	-	59	13	-	14,982	13,404
Corporate	-	-	-	-	17	-	183	-	-	1,489	9	-	1,697	1,236
Retail	-	-	-	-	-	-	-	-	4	-	-	-	4	4
Default	-	-	-	-	-	-	-	-	-	-	2	-	2	-
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other items	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL	**2,264**	**9,899**	**-**	**-**	**4,033**	**-**	**1,197**	**-**	**4**	**1,552**	**24**	**-**	**18,973**	**16,925**

3.4.2.3.4 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	255	0.03%	1.05%	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	1	0.30%	45.00%	-	-	57.64%
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**256**	**0.03%**	**1.17%**	**-**	**-**	**0.16%**
Corporates – Other	0.00 to <0.15	6	0.03%	44.96%	-	-	5.61%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**6**	**0.03%**	**44.96%**	**-**	**-**	**5.61%**
TOTAL		**262**	**0.03%**	**2.14%**	**-**	**1**	**0.28%**

Refer to the glossary page 647 for the definition of the technical terms.

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	975	0.03%	0.94%	-	-	-
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	1	0.30%	37.60%	-	1	57.64%
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**976**	**0.03%**	**0.97%**	**-**	**1**	**0.06%**
Corporates – Other	0.00 to <0.15	7	0.03%	44.99%	-	-	5.61%
	0.15 to <0.25	-	-	-	-	-	-
	0.25 to <0.50	-	-	-	-	-	-
	0.50 to <0.75	-	-	-	-	-	-
	0.75 to <2.50	-	-	-	-	-	-
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	-	-	-	-	-	-
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**7**	**0.03%**	**44.99%**	**-**	**-**	**5.61%**
TOTAL		**984**	**0.03%**	**1.30%**	**-**	**1**	**0.10%**

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	17,852	0.04%	14.49%	668	1,493	8.36%
	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%	47.10%	505	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	**22,973**	**0.12%**	**19.35%**	**672**	**4,096**	**17.83%**
Corporates – Other	0.00 to <0.15	10,694	0.04%	34.21%	740	1,333	12.46%
	0.15 to <0.25	2,256	0.16%	43.10%	823	1,016	45.02%
	0.25 to <0.50	2,674	0.30%	45.94%	871	1,101	41.19%
	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%	52.83%	1,078	87	137.95%
	10.00 to <100.00	865	19.71%	29.79%	377	964	111.46%
	100.00 (Default)	69	100.00%	45.39%	899	26	37.63%
	Sub-total	**21,265**	**1.39%**	**39.11%**	**776**	**7,663**	**36.04%**
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%	31.80%	901	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%**	**42.33%**	**629**	**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%	12.59%	1,239	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%**	**11.64%**	**1,246**	**633**	**19.40%**
TOTAL		**53,090**	**0.71%**	**25.06%**	**-**	**12,582**	**23.70%**

Refer to the glossary page 647 for the definition of the technical terms.

Counterparty risk exposures by portfolio and probability of default (PD) scale, supervisory portfolios for advanced internal ratings-based approach at 31 December 2018 (CCR4)

31/12/2018 *(in millions of euros)*	PD scale	EAD post-CRM	average PD	Average LGD	Average maturity	RWA	RWA density
Central governments and central banks	0.00 to <0.15	7,201	0.01%	1.29%	1,050	18	0.25%
	0.15 to <0.25	172	0.16%	10.00%	1,031	14	7.89%
	0.25 to <0.50	106	0.30%	9.98%	404	9	8.92%
	0.50 to <0.75	74	0.60%	10.00%	559	12	16.70%
	0.75 to <2.50	54	1.19%	45.70%	1,333	59	110.76%
	2.50 to <10.00	-	-	-	-	-	-
	10.00 to <100.00	5	19.85%	56.70%	1,139	12	264.80%
	100.00 (Default)	-	-	-	-	-	-
	Sub-total	**7,612**	**0.04%**	**2.03%**	**1,037**	**125**	**1.64%**
Institutions	0.00 to <0.15	17,503	0.03%	13.47%	625	1,311	7.49%
	0.15 to <0.25	1,885	0.16%	38.49%	759	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%	52.66%	425	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	**22,190**	**0.21%**	**18.85%**	**636**	**3,765**	**16.97%**
Corporates – Other	0.00 to <0.15	12,314	0.04%	34.48%	694	1,341	10.89%
	0.15 to <0.25	1,955	0.16%	43.59%	965	971	49.70%
	0.25 to <0.50	2,152	0.30%	49.51%	959	1,004	46.65%
	0.50 to <0.75	1,893	0.60%	45.77%	919	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%	773	106	132.98%
	10.00 to <100.00	196	19.03%	44.21%	844	510	260.44%
	100.00 (Default)	2	100.00%	45.12%	843	1	55.21%
	Sub-total	**20,115**	**0.42%**	**39.04%**	**803**	**6,385**	**31.74%**
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%	34.91%	1,039	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%**	**43.40%**	**1,185**	**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%	11.62%	1,286	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%**	**11.64%**	**1,296**	**497**	**24.01%**
TOTAL		**52,087**	**0.31%**	**23.91%**	**-**	**10,824**	**20.78%**

3.4.2.3.5 Collaterals

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	203,855	173,299	30,547	4,851	25,696
2	SFTs	26,953	22,820	4,132	1,776	2,356
3	Cross-product netting	-	-	-	-	--
4	**TOTAL**	**230,808**	**196,120**	**34,679**	**6,628**	**28,051**

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	162,012	135,999	26,013	1,634	24,379
2	SFTs	18,727	10,771	7,957	386	7,571
3	Cross-product netting	-	-	-	-	-
4	**TOTAL**	**180,740**	**146,770**	**33,970**	**2,020**	**31,950**

Composition of collateral for exposures to counterparty risk (CCR5-B)

		Collateral used in derivative transactions			Collateral used in SFTs	
31/12/2019 *(in millions of euros)*		Fair Value of collateral received	Fair Value of posted collateral		Fair value of collateral received	Fair value of posted collateral
			Segregated	Unsegregated		
1	Cash	9,230	-	-	1,022	-
2	Corporate bonds, Sovereign debt, Government agency debt	2,114	-	-	1,528	-
3	Equity securities	-	-	-	-	-
4	Other collateral	-	-	-	-	-
	TOTAL	**11,344**	**-**	**-**	**2,550**	**-**

		Collateral used in derivative transactions			Collateral used in SFTs	
31/12/2018 *(in millions of euros)*		Fair Value of collateral received	Fair Value of posted collateral		Fair value of collateral received	Fair value of posted collateral
			Segregated	Unsegregated		
1	Cash	6,962	1	-	521	-
2	Corporate bonds, Sovereign debt, Government agency debt	2,144	-	-	147	-
3	Equity securities	-	-	-	-	-
4	Other collateral	-	-	-	-	-
	TOTAL	**9,106**	**1**	**-**	**668**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

3.4.2.3.6 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)**	**8,310**	**665**
2	Asset size	843	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	121	10
8	Other	(213)	(17)
9	**RWAs as at the end of the reporting period (31/12/2019)**	**8,937**	**715**

3.4.2.3.7 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	-	-	-	-

3.4.2.3.8 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 prudential framework, 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 tools 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**	**16,495**	**2,682**	**15,684**	**2,486**
2	(i) VaR component (including the 3×multiplier)	-	20	-	22
3	(ii) Stressed VaR component (including the 3×multiplier)	-	195	-	177
4	**All portfolios subject to the Standardised CVA capital charge**	**16,029**	**1,057**	**17,636**	**1,117**
EU4	Based on the original exposure method	-	-	-	-
5	**TOTAL SUBJECT TO THE CVA CAPITAL CHARGE**	**32,524**	**3,739**	**33,320**	**3,603**

3.4.2.4 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	712,353	232,806	119,490	96,984	16,332
2	Total debt securities	104,549	-	-	-	-
3	**Total exposures**	**816,903**	**232,806**	**119,490**	**96,984**	**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	651,733	214,412	116,238	86,172	12,002
2	Total debt securities	95,324				
3	**Total exposures**	**747,057**	**214,412**	**116,238**	**86,172**	**12,002**

3.4.2.4.1 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 factors – 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 also 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 reduction techniques by Crédit Agricole, to cover some of its commitments to third parties

Crédit Agricole S.A. 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 €137 million.

External ratings given to the export credit agencies

31/12/2019 *(in millions of euros)*	Moody's Long term rating (outlook)	Standard & Poor's Long term rating (outlook)	Fitch Ratings 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+ [stable] by Fitch). (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 outstanding8	% 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)	69,499	82.50%	64,066	83.00%

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 guarantee provisions 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.

3.4.2.4.2 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 the 2019 Universal Registration Document of Crédit Agricole S.A.

Credit derivatives exposures (CCR6)

31/12/2019 *(in millions of euros)*	Credit derivative hedges		Other credit derivatives
	Protection bought	Protection sold	
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)	-	-

3.4.2.5 Securitisation transactions

The credit risk on securitisation transactions is presented in the "Securitisation" chapter below.

3.4.2.6 Equity exposures in the banking portfolio

Crédit Agricole S.A. 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;
- super-subordinated securities.

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	1,068	77	190%	1,145	2,175	174
Private equity exposures	515	-	290%	515	1,493	119
Other equity exposures	15,610	-	370%	6,267	23,189	1,855
TOTAL	**17,193**	**77**		**7,927**	**26,858**	**2,149**

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	1,074	121	190%	1,194	2,269	182
Private equity exposures	80	-	290%	80	231	19
Other equity exposures	14,121	-	370%	4,956	18,336	1,467
TOTAL	**15,275**	**121**		**6,230**	**20,837**	**1,667**

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 €17.3 billion at 31 December 2019 (compared with €15.4 billion at 31 December 2018).

Furthermore, equity exposures using the standardised approach amounted to €0.9 billion at 31 December 2019 for an RWA amount of €1.05 billion.

The amounts of gains and losses on equity instruments realised during the period under review are presented in Note 4 to the financial statements "Notes to the income statement and other comprehensive income".

3.4.3 Securitisation

3.4.3.1 Definitions of securitisation transactions

Crédit Agricole CIB 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 6.6 to the financial statements "Transferred assets not derecognised or derecognised with on-going involvement".

3.4.3.2 Purpose and strategy

3.4.3.2.1 Proprietary securitisation transactions

Crédit Agricole S.A.'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.

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.

3.4.3.2.2 Securitisation transactions carried out on behalf of customers as arranger, sponsor, intermediary or originator

Only Crédit Agricole CIB, within Crédit Agricole S.A., 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.

3.4.3.2.3 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.

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole CIB's securitisation exposures are treated in accordance with the IRB securitisation framework approach. As of 1 January 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 1.2 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 1.2 to the consolidated financial statements on accounting policies and principles for financial asset classification and valuation methods).

Refer to the glossary page 647 for the definition of the technical terms.

3.4.3.3 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).

3.4.3.4 Exposures

3.4.3.4.1 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**	**-**	**3,058**
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	2,278	-	2,278
10	**Re-securitisation**	**1,329**	**7**	**1,336**	**-**	**-**	**-**	**-**	**-**	**-**
11	**TOTAL 31/12/2019**	**15,237**	**6,342**	**21,578**	**17,732**	**-**	**17,732**	**3,058**	**-**	**3,058**
	TOTAL 31/12/2018	15,947	7,513	23,460	21,066	-	21,066	1,236	-	1,236

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	2,566	**41,032**
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	2,422	**8,194**
10	**Re-securitisation**	**-**	**-**	**1,336**	**-**	**1,336**
11	**TOTAL 31/12/2019**	**7,691**	**28,082**	**4,029**	**2,566**	**42,368**
	TOTAL 31/12/2018	9,355	29,567	4,377	2,463	45,762

Refer to the glossary page 647 for the definition of the technical terms.

Exposure at default of securitisation transactions broken down by on- and off-balance sheet accounting classification

	Underlying Asset *(in millions of euros)*	Exposure values on 31/12/2019 On balance sheet	Exposure values on 31/12/2019 Off balance sheet	Total
1	**Securitisation**	**2,510**	**38,522**	**41,032**
2	Residential real estate loans		51	**51**
3	Commercial real estate loans		5	**5**
4	Credit card loans			
5	Leasing	89	2,689	**2,777**
6	Loans to corporates and SMEs		5,467	**5,467**
7	Personal loans	-	3,236	**3,237**
8	Trade receivables	70	21,232	**21,302**
9	Other	2,350	5,842	**8,193**
10	**Re-securitisation**	**1,329**	**7**	**1,336**
11	**TOTAL 31/12/2019**	**3,839**	**38,529**	**42,368**
	TOTAL 31/12/2018	3,435	42,326	45,762

Securitisation exposures in the banking portfolio and related regulatory capital requirements – Bank acting as issuer or agent IRB and STD (SEC3)

	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**	**37,202**	**397**	**327**	**10**	**1,374**	**29,841**	**7,607**	**488**	**1,374**	**3,351**	**722**	**316**	**528**	**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)

		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**	**1,868**	**200**	**991**	**125**		**934**	**47**	**2,079**		**403**	**3**	**247**		**32**		**20**	
2	Traditional securitisation	1,868	200	991	125		934	47	2,079		403	3	247		32		20	
3	Of which securitisation	1,868	200	991	125		934	47	2,079		403	3	247		32		20	
4	Of which retail underlying	1	66	27			65		15		5		10				1	
5	Of which wholesale	1,866	133	964	125		869	47	2,064	-	398	3	236		32		19	
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	1,229	2,463
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	**318**	**633**
20% weightings	185	429
40% weightings	0	0
50% weightings	131	202
100% weightings	2	2
225% weightings	0	0
350% weightings	0	0
650% weightings	0	0
Weightings = 1250%	**118**	**1**
Transparency approach	**453**	**1,634**
AGGREGATE SECURITISATION EXPOSURES HELD OR ACQUIRED	**889**	**2,268**

Refer to the glossary page 647 for the definition of the technical terms.

3.4.3.5 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 PORTEFEUILLE DE NÉGOCIATION	**197**	**-**	**5**	**226**	**-**	**5**

Capital requirements relating to securitisations held or acquired

(in millions of euros)	31/12/2019 Long Positions	Short Positions	Total weighted positions	Capital requirement	31/12/2018 Long Positions	Short Positions	Total weighted positions	Capital requirement
Weighted EAD	**197**	**-**	**21**	**5**	**226**	**-**	**26**	**5**
Securitisation	178	-	2	1	201	-	2	1
Resecuritisation	19	-	19	3	24	-	24	4
Deductions	-	-	-	-	-	-	-	-

3.4.4 Market risk

3.4.4.1 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.

3.4.4.2 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.

3.4.4.3 Exposure to market risk of the trading book

3.4.4.3.1 Risk-weighted exposure using the standardised approach

Risk-weighted exposure using the standardised approach (MR1)

	(in millions of euros)	31/12/2019 RWA	31/12/2019 Capital requirement	31/12/2018 RWA	31/12/2018 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	3,819	306	3,349	268
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**	**4,652**	**372**	**4,167**	**333**

Refer to the glossary page 647 for the definition of the technical terms.

3.4.4.3.2 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)	-	-

3.4.4.4 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.

3.4.5 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 management – Asset/Liability management – Global interest rate risk" section.

3.4.6 Operational risk

3.4.6.1 Advanced measurement approach

The French Regulatory and Resolution Supervisory Authority, the ACPR, has, since 1 January 2008, authorised the main Crédit Agricole S.A. 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 management – Operational risk – Methodology" section.

3.4.6.2 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.

3.5 ENCUMBERED ASSETS

Medians of the four quarterly end-of-period values over the previous 12 months.

Template A – Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA(1)(2)		of which notionally eligible EHQLA and HQLA(1)(2)		of which EHQLA and HQLA(1)(2)		of which EHQLA and HQLA(1)(2)
(in millions of euros)		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	**85,420**	**13,065**			**1,279,557**	**180,345**		
030	Equity instruments	2,292	1,161			9,903	1,818		
040	Debt securities	8,385	11,904	8,435	11,626	114,934	74,539	111,645	77,052
050	of which: covered bonds	16	6	17	6	1,291	1,465	1,303	838
060	of which: asset-backed securities	-	-	-	-	1,847	27	1,838	27
070	of which: issued by general governments	6,296	10,684	6,343	10,390	55,049	52,657	58,085	54,808
080	of which: issued by financial corporations	1,642	1,001	1,660	1,016	46,397	17,884	41,628	18,208
090	of which: issued by non-financial corporations	214	219	214	219	10,527	3,997	9,889	4,035
120	Other assets	75,302	-			1,152,558	103,989		
121	of which: Loans and advances other than loans on demand	49,590	-			861,822	-		

(1) Medians of the two quarterly end-of-period values over the previous six months.

(2) EHQLA: Assets of extremely high liquidity and credit quality.
HQLA: Assets of high liquidity and credit quality.

Refer to the glossary page 647 for the definition of the technical terms.

Template B – Collateral received

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered – Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA(1)(2)		of which notionally eligible EHQLA and HQLA(1)(2)
(in millions of euros)		010	030	040	060
130	**Collateral received by the reporting institution**	**190,827**	**146,420**	**65,865**	**26,794**
140	Loans on demand	-	-	-	-
150	Equity instruments	3,602	932	7,475	551
160	Debt securities	115,207	145,488	33,072	32,137
170	of which: covered bonds	399	722	1,267	482
180	of which: asset-backed securities	-	-	978	-
190	of which: issued by general governments	101,916	135,449	18,651	21,645
200	of which: issued by financial corporations	8,849	5,370	8,927	8,935
210	of which: issued by non-financial corporations	4,564	4,669	2,962	1,557
220	Loans and advances other than loans on demand	73,135	-	27,347	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	-	-	-	-
241	**Own covered bonds and asset-backed securities issued and not yet pledged**			**10,985**	**2,286**
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	**276,444**	**159,485**		

(1) Medians of the two quarterly end-of-period values over the previous six months.

(2) EHQLA: Assets of extremely high liquidity and credit quality.
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**	**308,940**	**266,321**
011	of which: Derivatives	91,921	20,553
012	of which: Deposits	159,111	176,704
013	of which: Debt securities issued	57,744	68,137

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 Crédit Agricole S.A. represented 18.5% at 31 December 2019.

The encumbrance for assets and collateral received for Crédit Agricole S.A. 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 (and collateral received) thus complying with the contractual and regulatory requirements as well as those of the rating agencies, where applicable, in terms of over-collateralisation.

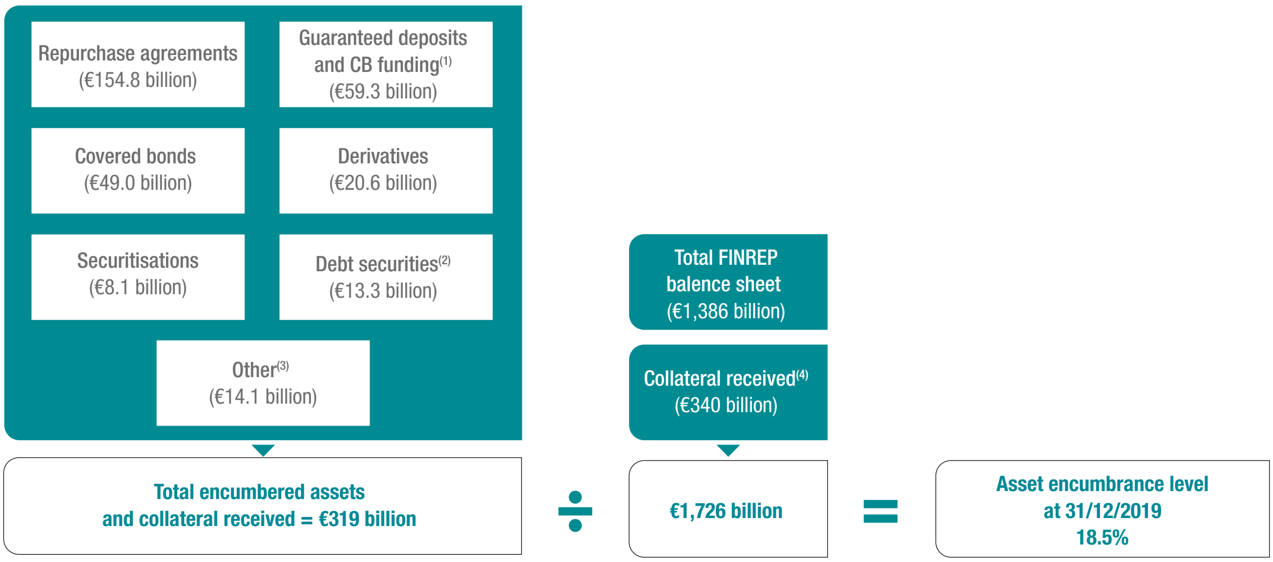
At 31 December 2019, the retained secured bonds not yet pledged as collateral amounted to €0.9 billion for a total of €1.1 billion in unencumbered underlying assets;

- 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 LCL (through FCT CA Habitat 2019):
  - at 31 December 2019, placed asset-backed securities amounted to €7.7 billion for a total of €8.1 billion in encumbered underlying assets,
  - at 31 December 2019, asset-backed securities retained and not yet pledged as collateral amounted to €13.5 billion for a total of €15.8 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 €48.7 billion for a total of €59.3 billion in encumbered assets and collateral received;
- 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 and collateral received.

As Crédit Agricole S.A. social entity 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 €141.1 billion for a total of €154.8 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 €20.6 billion.



(1) Central banks.
(2) Other than covered bonds or ABSs.
(3) Mainly stock lending and borrowing.
(4) Excluding collateral received 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).

Refer to the glossary page 647 for the definition of the technical terms.

3.6 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)**					**177,552**	**181,950**	**185,156**	**189,330**
CASH-OUTFLOWS									
2	**Retail deposits and deposits from small business customers, of which:**	**366,135**	**371,116**	**376,272**	**381,713**	**22,681**	**23,029**	**23,401**	**23,791**
3	Stable deposits	296,819	300,216	303,534	306,988	14,841	15,011	15,177	15,349
4	Less stable deposits	69,316	70,899	72,739	74,725	7,840	8,018	8,224	8,442
5	**Unsecured wholesale funding**	**228,689**	**233,620**	**239,565**	**246,505**	**114,965**	**116,968**	**119,122**	**121,141**
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	87,069	89,865	94,213	101,289	26,661	27,784	29,321	32,389
7	Non-operational deposits (all counterparties)	128,703	130,274	131,610	131,249	75,387	75,702	76,059	74,784
8	Unsecured debt	12,916	13,481	13,742	13,967	12,916	13,481	13,742	13,967
9	Secured wholesale funding					18,805	18,569	18,555	19,683
10	**Additional requirements**	**145,655**	**148,520**	**151,743**	**153,908**	**36,724**	**37,349**	**38,501**	**39,559**
11	**Outflows related to derivative exposures and other collateral requirements**	**9,948**	**10,627**	**11,978**	**13,137**	**8,688**	**8,790**	**9,421**	**10,104**
12	Outflows related to loss of funding on debt products	-	-	-	-	-	-	-	-
13	Credit and liquidity facilities	135,707	137,893	139,764	140,771	28,036	28,559	29,079	29,454
14	**Other contractual funding obligations**	**27,664**	**35,746**	**44,601**	**59,015**	**1,410**	**1,700**	**1,819**	**1,784**
15	**Other contingent funding obligations**	**46,640**	**47,771**	**49,168**	**50,035**	**863**	**714**	**778**	**1,326**
16	**TOTAL CASH OUTFLOWS**					**195,447**	**198,329**	**202,175**	**207,283**
CASH-INFLOWS									
17	**Secured lending (e.g. reverse repos)**	**143,185**	**145,167**	**147,326**	**153,811**	**14,875**	**14,838**	**14,640**	**15,849**
18	**Inflows from fully performing exposures**	**105,245**	**107,219**	**108,814**	**110,910**	**44,306**	**44,378**	**44,351**	**44,918**
19	**Other cash inflows**	**3,198**	**2,912**	**2,640**	**2,701**	**3,053**	**2,882**	**2,640**	**2,701**
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**	**251,627**	**255,297**	**258,780**	**267,421**	**62,234**	**62,098**	**61,630**	**63,469**
EU-20a	**Fully exempt inflows**	-	-	-	-	-	-	-	-
EU-20b	**Inflows Subject to 90% Cap**	-	-	-	-	-	-	-	-
EU-20c	**Inflows Subject to 75% Cap**	228,501	232,131	235,359	239,934	62,234	62,098	61,630	63,469
21	**FULLY EXEMPT INFLOWS**					**177,552**	**181,950**	**185,156**	**189,330**
22	**INFLOWS SUBJECT TO 90% CAP**					**133,213**	**136,230**	**140,545**	**143,815**
23	**INFLOWS SUBJECT TO 75% CAP**					**133.3%**	**133.6%**	**131.7%**	**131.6%**

Qualitative information

Concentration of funding and liquidity sources	The Crédit Agricole SA 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 unfavourable 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 €2.17 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 SA'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 SA. ■ For long-term refinancing (>1 year), Crédit Agricole SA 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 SA, 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	

3.7 COMPENSATION POLICY

The information on the compensation policy required pursuant to EU Regulation 575-2013 (CRR) can be found in Chapter 3 of this Universal Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

3.8 CROSS-REFERENCE TABLES

Cross-reference table for Pillar 3 (CRR and CRD 4)

CRR article	Topic	Reference 2019 Universal registration document	2019 Universal registration document
90 (CRD 4)	Return on assets	Management report	p. 234
435 (CRR)	1. Risk management policy and objectives	Presentation of Committees – Corporate governance Main Group level Committees dealing with risk – Risk management	p. 127 to 133 p. 254 to 257
436 (a)(b)	2. Scope of consolidation	Pillar 3 Financial statements Note 13.2	p. 317 to 318 and p. 320 to 322 p. 537 to 550
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. 305 p. 307
438 (CRR)	4. Capital requirements	Risk-weighted assets by business line and trends	p. 323 to 325
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. 325 to 371
440 (CRR)	6. Capital buffer	Minimum requirements and exposures by geographic area	p. 309 to 311 and p. 329 to 331
441 (CRR)	7. Indicators of global systemic importance	Communication on the indicators required for globally systemically important banks (G-SIBs) + website	p. 309 to 311, Amendment A01 and press release
442 (CRR)	8. Adjustments for credit risk	Default exposures and value adjustments	p. 337 to 343
443 (CRR)	9. Asset encumbrance	Asset encumbrance	p. 380 to 382
444 (CRR)	10. Use of ECAIs	Protection providers	p. 368 to 370
445 (CRR)	11. Exposure to market risk	Exposure to market risk of the trading book	p. 378 to 379
446 (CRR)	12. Operational risk	Operational risk	p.293 to 295 and p. 380
447 (CRR)	13. Equity exposures excluding the trading book	Equity exposures in the banking portfolio	p. 327 and p. 368 to 369
448 (CRR)	14. Exposure to interest rate risk on positions not included in the trading book	Global interest rate risk – Risk management	p. 278 to 280 and p. 380
449 (CRR)	15. Exposures to securitisation positions	Securitisation – Pillar 3	p. 371 to 378
450 (CRR)	16. Compensation policy	Compensation policy – Corporate governance	p. 171 to 206 and p. 384
451 (CRR)	17. Leverage	Leverage ratio	p. 312 to 314
452 (CRR)	18. Use of the IRB approach to credit risk	Credit risk – internal ratings-based approach	p. 347 to 359
453 (CRR)	19. Use of credit risk mitigation techniques	Credit risk mitigation mechanism	p. 267 to 268 and p. 368 to 371
454 (CRR)	20. Use of the advanced measurement approaches to operational risk	Operational risk	p. 293 to 295 and p. 380
455 (CRR)	21. Use of internal market risk models	Internal models approach to market risk capital requirements – Pillar 3	p. 378 to 379

Additional elements are presented on the consolidated report on risks available on our website:
www.credit-agricole.com/finance/finance/espace-investisseurs/informations-financieres

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. 386	
	2	Terminology and risk measurements, key parameters used		p. 242 to 300	p. 325 and p. 344 to 356	p. 405 to 423 and p. 427 to 462
	3	Presentation of main risks and/or emerging risks		p. 242 to 300		p. 427 to 462
	4	New regulatory framework for solvency and Group objectives	p. 236 to 237	p. 280 to 284	p. 301 to 304	p. 462
Governance and risk management strategy	5	Organisation of control and risk management	p. 127 to 133	p. 254 to 257 and p. 257 to 263		
	6	Risk management strategy and implementation	p. 127 to 133	p. 242 to 300 and p. 257 to 263	p. 301 to 310	
	7	Risk mapping by business line			p. 324	
	8	Governance and management of internal credit and market stress tests		p. 254 to 257 and p. 267		
Capital requirements and risk-weighted assets	9	Minimum capital requirements			p. 309 to 311	
	10a	Breakdown of composition of capital			p. 305 to 307[(1)]	
	10b	Reconciliation of the balance sheet and prudential balance sheet and accounting equity and regulatory capital			p. 305 to 306 and p. 317 to 319	
	11	Change in regulatory capital			p. 307 to 308	
	12	Capital trajectory and CRD 4 ratio objectives	p. 236 to 237		p. 304 to 316	
	13	Risk-weighted assets by business line and risk type			p. 323 to 343	
	14	Risk-weighted assets and capital requirements by method and category of exposure		p. 266	p. 323 to 343	
	15	Exposure to credit risk by category of exposure and internal rating		p. 264 to 268 and p. 270	p. 327 to 371	
	16	Changes in risk-weighted assets by risk type			p. 323	
	17	Description of back-testing models and efforts to improve their reliability		p. 273 to 274 and p. 293 to 295	p. 357 to 358	
Liquidity	18	Management of liquidity and cash balance sheet		p. 280 to 284	p. 383 to 384	
	19	Asset encumbrance			p. 380 to 382	
	20	Breakdown of financial assets and financial liabilities by contractual maturity			p. 336	p. 453 to 454 and p. 513
	21	Liquidity and financing risk management		p. 280 to 284	p. 383 to 384	
Market risk	22 to 24	Market risk measurement		p. 272 to 278	p. 378 to 379	p. 405 to 423, p. 449 to 453 and p. 521 to 533
	25	Market risk management techniques		p. 272 to 278		
Credit risk	26	Maximum exposure, breakdown and diversification of credit risks		p. 264 to 272	p. 325 to 371	p. 427 to 448
	27 and 28	Provisioning policy and risk hedging		p. 270 to 271		p. 407 to 421, p. 448 and p. 467
	29	Derivative instruments: notional, counterparty risk, offsetting		p. 264 to 272, p. 272 to 274, p. 276, p. 284 and p. 289 to 290	p. 360 to 371	p. 415, p. 449 to 453, p. 491 to 492 and p. 524 to 525
	30	Credit risk mitigation mechanisms		p. 267		p. 518 to 519
Other risks	31	Other risks: insurance sector risks, operational risks and legal risks, information systems security and business continuity plans	p. 127 to 133	p. 242 to 257 and p. 285 to 292		p. 462, p. 475 to 477 and p. 502 to 509
	32	Declared risks and ongoing actions regarding operational and legal risks		p. 293 to 295		p. 503 to 507

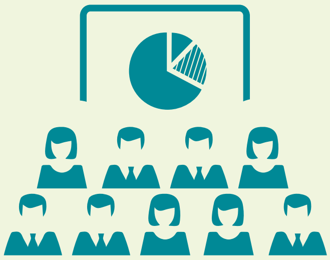
(1) Details of debt issues available on the website: www.credit-agricole.com/en/finance/finance/financial-publications.

6 CONSOLIDATED FINANCIAL STATEMENTS

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A.
Key figures

Net income Group share



€4,844M

Revenues

€20,152M

Total balance sheet

€1,767,643M

Total customer loans

€395,180M

Total customer deposits

€646,914M

Total equity

€70,843M

Refer to the glossary page 647 for the definition of the technical terms.

GENERAL FRAMEWORK

LEGAL PRESENTATION OF THE ENTITY

Since the Extraordinary General Meeting of Shareholders of 29 November 2001, the Company's name has been: **Crédit Agricole S.A.**

Since 1 July 2012, the address of the Company's registered office has been: 12, place des États-Unis, 92127 Montrouge Cedex, France.

Registration number: 784 608 416 Nanterre Trade and Companies Register.

NAF code: 6419Z.

Crédit Agricole S.A. is a French Public Limited Company *(Société Anonyme)* with a Board of Directors governed by ordinary company law and more specifically by Book II of the French Commercial Code *(Code de commerce).*

Crédit Agricole S.A. is also subject to the provisions of the French Monetary and Financial Code and more specifically Articles L. 512-47 *et seq.* thereof.

Crédit Agricole S.A. was licensed as an authorised lending institution in the mutual and cooperative banks category on 17 November 1984. As such, it is subject to oversight by the banking supervisory authorities, and more particularly by the French Regulatory and Resolution Supervisory Authority (ACPR) and the European Central Bank.

Crédit Agricole S.A. shares are admitted for trading on Euronext Paris. Crédit Agricole S.A. is subject to the prevailing stock market regulations particularly with respect to public disclosure obligations.

A bank with mutual roots

SAS Rue La Boétie, which is wholly owned by the Regional Banks, holds the majority of Crédit Agricole S.A.'s share capital. Shares in SAS Rue La Boétie may not be transferred outside the Regional Banks' network. Furthermore, any trading in these shares between Regional Banks is governed by a liquidity agreement that in particular sets out the procedures for determining the transaction price. This encompasses both disposals of shares between the Regional Banks and capital increases at SAS Rue La Boétie.

The *Fédération nationale du Crédit Agricole* (FNCA) acts as a consultative and representative body, and as a communication forum for the Regional Banks.

In accordance with the provisions of the French Monetary and Financial Code (Articles L. 511-31 and L. 511-32), as the central body of the Credit Agricole network, Credit Agricole S.A. is responsible for exercising administrative, technical and financial control over the institutions affiliated to it in order to maintain a cohesive network (as defined in Article R. 512-18 of the French Monetary and Financial Code) and to ensure their proper functioning and compliance with all regulations and legislation governing them. In that regard, Credit Agricole S.A. may take all necessary measures notably to ensure the liquidity and solvency of the network as a whole and of each of its affiliated institutions.

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 similar 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 time 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".

Refer to the glossary page 647 for the definition of the technical terms.

Investment of Regional Banks' surplus capital with Crédit Agricole S.A.

Available surplus capital of the Regional Banks may be invested with Crédit Agricole S.A. in the form of three to ten-year instruments with the same characteristics as interbank money market transactions in all respects.

Foreign currency transactions

Crédit Agricole S.A. represents the Regional Banks with respect to the Banque de France and centralises their foreign exchange 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 on the balance sheet 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 necessary measures 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 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 part of the financial relationship 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 prudential 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 prudential 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 compensation 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 security deposits are calibrated to reflect the capital savings for Credit 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.

In accounting terms:

- The guarantees are essentially insurance contracts, due to the existence of an insurance risk as defined by IFRS 4. For the insured, they are treated as a first demand guarantee, and their compensation is recognised in stages as a deduction from the interest margin under Revenues. In the event of a call on guarantees, or following an improvement in fortunes, where applicable, the compensation payment or redemption proceeds would be recognized under cost of risk;
- it should be noted that the Insurance Switch guarantees are triggered on a half-yearly basis and are assessed on the basis of half-yearly changes in the equity-accounted value of the Credit Agricole Assurances equity investments. At each quarterly closing, the Regional Banks are required to estimate if there is a risk that compensation will be payable and to fund provisions accordingly. On the other hand, Credit Agricole S.A. cannot recognise equivalent income because it is not certain. At each half-yearly close, and if the conditions have been met, Credit Agricole. S.A. and the Regional Banks recognise on a symmetrical basis the effects of triggering the guarantees (calling or claw-back).

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 the Regional Banks. 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.

Refer to the glossary page 647 for the definition of the technical terms.

RELATED PARTIES

The related parties of Crédit Agricole S.A. are the consolidated companies, including equity-accounted entities, the Group's Senior Executives and the Regional Banks, given the Group's legal structure and due to the fact that Crédit Agricole S.A. is the central body of the Crédit Agricole network.

In accordance with the internal financial mechanisms at Crédit Agricole, transactions between Crédit Agricole S.A. and the Regional Banks[1] are presented on the balance sheet and income statement as Crédit Agricole internal transactions (Note 4.1 "Interest income and expenses", Note 4.2 "Fee and commission income and expenses", Note 6.5 "Financial assets at amortised cost" and Note 6.8 "Financial liabilities at amortised cost").

Other shareholders' agreements

Shareholder agreements signed during the financial year are detailed in Note 2 "Major structural transactions and material events during the period".

Relationships between consolidated companies affecting the consolidated balance sheet

A list of Crédit Agricole S.A. 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 2019 relate to transactions with the equity-accounted entities for the following amounts:

- loans and receivables due from credit institutions: €2,791 million;
- loans and receivables due from customers: €2,527 million;
- debt due to credit institutions: €1,210 million;
- debt due to customers: €247 million;
- commitments given on financial instruments: €3,562 million;
- commitments received on financial instruments: €8,713 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 are:

- 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

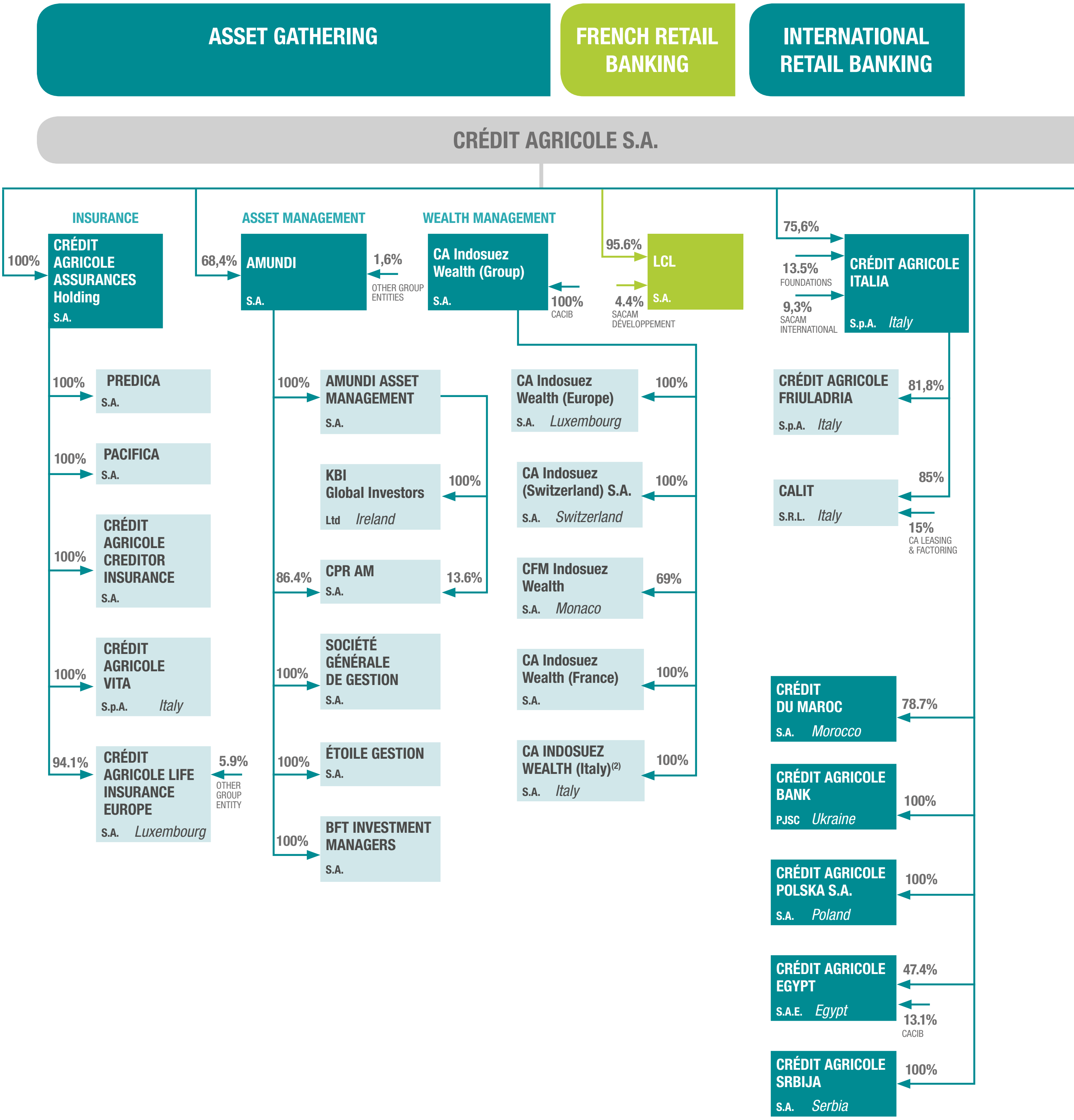
Detailed information on senior executives' compensation is provided in paragraph 7.7 of Note 7 "Employee benefits and other compensation", as well as in the "Compensation policy" section, Chapter 3 "Corporate governance" of the Universal Registration Document.

There exist no material transactions between Crédit Agricole S.A. and its senior management, their families or the companies they control and which are not included in the Group's scope of consolidation.

(1) With the exception of the *Caisse régionale de la Corse,* which is fully consolidated.

CRÉDIT AGRICOLE S.A.

% OF INTEREST(1)



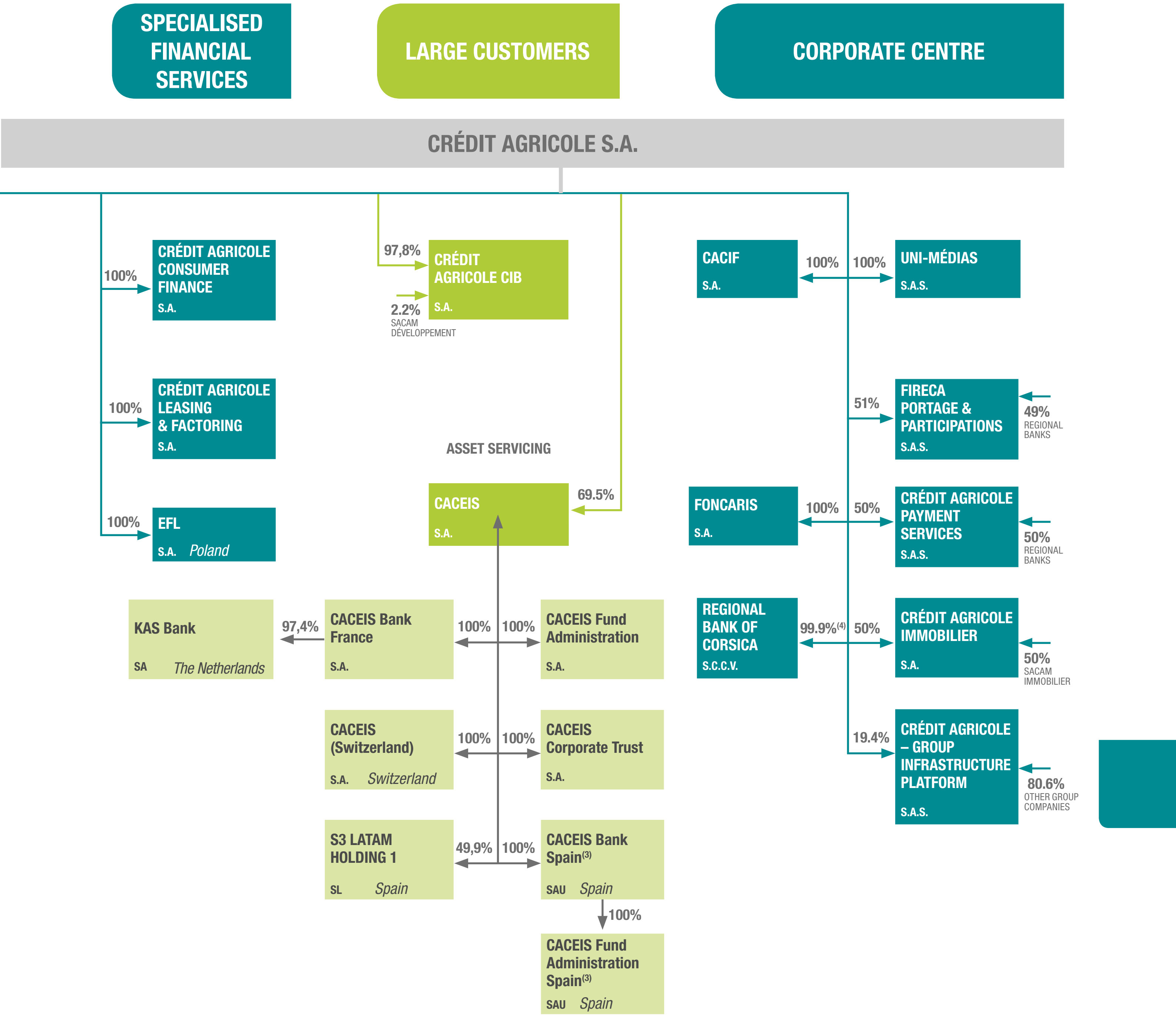
(1) Direct percentage of interest held by CASA and its subsidiaries, excluding treasury shares.

(2) Previously named Banca Leonardo.

(3) These two entities were renamed in January 2020. At 31 December 2019, they were named "Santander Securities Services Spain" and "Santander Fund Administration Spain".

Refer to the glossary page 647 for the definition of the technical terms.

AS AT 31 DECEMBER 2019



(4) % of control.

Financial transactions between Crédit Agricole S.A. and its subsidiaries are subject to regulated agreements, as the case may be, mentioned in the statutory auditor's special report.

Internal mechanisms of Crédit Agricole Group (in particular between Crédit Agricole S.A. and the Regional Banks) are detailed in the paragraph "internal financing mechanisms", in introduction of the consolidated financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

(in millions of euros)	Notes	31/12/2019	31/12/2018
Interest and similar income	4.1	25,107	24,817
Interest and similar expenses	4.1	(13,663)	(13,247)
Fee and commission income	4.2	10,556	10,600
Fee and commission expenses	4.2	(6,500)	(6,441)
Net gains (losses) on financial instruments at fair value through profit or loss	4.3	17,082	(3,093)
Net gains (losses) on held for trading assets/liabilities		4,730	496
Net gains (losses) on other financial assets/liabilities at fair value through profit or loss		12,352	(3,589)
Net gains (losses) on financial instruments at fair value through other comprehensive income	4.4	162	192
Net gains (losses) on debt instruments at fair value through other comprehensive income that may be reclassified subsequently to profit or loss		47	71
Remuneration of equity instruments measured at fair value through other comprehensive income that will not be reclassified subsequently to profit or loss (dividends)		115	121
Net gains (losses) arising from the derecognition of financial assets at amortised cost	4.5	(9)	-
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	41,042	42,517
Expenses on other activities	4.6	(53,180)	(35,900)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	5.3	(445)	291
Revenues		**20,152**	**19,736**
Operating expenses	4.7	(11,713)	(11,830)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets	4.8	(1,048)	(759)
Gross operating income		**7,391**	**7,147**
Cost of risk	4.9	(1,256)	(1,081)
Operating income		**6,135**	**6,066**
Share of net income of equity-accounted entities		352	255
Net gains (losses) on other assets	4.10	54	89
Change in value of goodwill	6.16	(589)	86
Pre-tax income		**5,952**	**6,496**
Income tax charge	4.11	(456)	(1,466)
Net income from discontinued operations	6.12	(38)	(3)
Net income		**5,458**	**5,027**
Non-controlling interests	6.21	614	627
NET INCOME GROUP SHARE		**4,844**	**4,400**
Earnings per share *(in euros)*[1]	**6.20**	**1.482**	**1.387**
Diluted earnings per share *(in euros)*[1]	**6.20**	**1.482**	**1.387**

(1) Corresponds to income including net income from discontinued operations.

Refer to the glossary page 647 for the definition of the technical terms.

NET INCOME AND OTHER COMPREHENSIVE INCOME

(in millions of euros)	Notes	31/12/2019	31/12/2018
Net income		**5,458**	**5,027**
Actuarial gains and losses on post-employment benefits	4.12	(162)	51
Other comprehensive income on financial liabilities attributable to changes in own credit risk[1]	4.12	(74)	383
Other comprehensive income on equity instruments that will not be reclassified to profit or loss[1]	4.12	53	130
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**(183)**	**564**
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**4.12**	**(30)**	**1**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**71**	**(259)**
Income tax related to items accounted that will not be reclassified to profit or loss on equity-accounted entities	**4.12**	**8**	**(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**	**(131)**	**308**
Gains and losses on translation adjustments	4.12	301	248
Gains and losses on available-for-sale financial assets			
Other comprehensive income on debt instruments that may be reclassified to profit or loss	4.12	1,189	(1,225)
Gains and losses on hedging derivative instruments	4.12	361	(138)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	4.12-5.3	434	(356)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**2,285**	**(1,471)**
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities, Group Share	**4.12**	**9**	**(11)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**4.12**	**(481)**	**547**
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**	**(12)**	**(2)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss of income tax	**4.12**	**1,802**	**(936)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**4.12**	**1,671**	**(628)**
NET INCOME AND OTHER COMPREHENSIVE INCOME		**7,129**	**4,399**
Of which Group share		6,464	3,805
Of which non-controlling interests		665	594

(1) Of which €32 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	93,079	66,976
Financial assets at fair value through profit or loss	3.1-6.2-6.6-6.7	399,477	365,475
Held for trading financial assets		230,721	225,605
Other financial instruments at fair value through profit or loss		168,756	139,870
Hedging derivative Instruments	3.2-3.4	19,368	14,322
Financial assets at fair value through other comprehensive income	3.1-6.4-6.6-6.7	261,321	253,620
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss		258,803	250,202
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss		2,518	3,418
Financial assets at amortised cost	3.1-3.3-6.5-6.6-6.7	906,280	840,201
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)		438,581	412,981
Loans and receivables due from customers		395,180	369,456
Debt securities		72,519	57,764
Revaluation adjustment on interest rate hedged portfolios		7,145	6,375
Current and deferred tax assets	6.10	4,300	4,480
Accruals, prepayments and sundry assets	6.11	38,349	38,013
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	7,232	6,368
Investment property	6.14	6,576	6,408
Property, plant and equipment[1]	6.15	5,598	4,069
Intangible assets[1]	6.15	3,163	2,287
Goodwill	6.16	15,280	15,491
TOTAL ASSETS		**1,767,643**	**1,624,394**

(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.

Refer to the glossary page 647 for the definition of the technical terms.

BALANCE SHEET – LIABILITIES & EQUITY

(in millions of euros)	Notes	31/12/2019	31/12/2018
Central banks	6.1	1,896	949
Financial liabilities at fair value through profit or loss	6.2	246,669	228,111
Held for trading financial liabilities		206,708	193,956
Financial liabilities designated at fair value through profit or loss		39,961	34,155
Hedging derivative Instruments	3.2-3.4	13,293	12,085
Financial liabilities at amortised cost		989,962	913,600
Due to credit institutions	3.3-6.8	142,041	131,960
Due to customers	3.1-3.3-6.8	646,914	597,170
Debt securities	3.3-6.8	201,007	184,470
Revaluation adjustment on interest rate hedged portfolios		9,183	6,612
Current and deferred tax liabilities	6.10	3,766	2,376
Accruals, prepayments and sundry liabilities[1]	6.11	49,285	42,309
Liabilities associated with non-current assets held for sale and discontinued operations		478	229
Insurance company technical reserves	6.17	356,107	324,033
Provisions	6.18	4,364	5,809
Subordinated debt	3.3-6.19	21,797	22,765
Total Liabilities		**1,696,800**	**1,558,878**
Equity		**70,843**	**65,516**
Equity – Group share		**62,920**	**58,811**
Share capital and reserves		27,368	27,009
Consolidated reserves		27,865	26,179
Other comprehensive income		2,843	1,214
Other comprehensive income on discontinued operations		-	9
Net income (loss) for the year		4,844	4,400
Non-controlling interests		**7,923**	**6,705**
TOTAL LIABILITIES AND EQUITY		**1,767,643**	**1,624,394**

(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	Elimination of treasury shares	Other equity instruments	Total capital and consolidated reserves
Equity at 1 January 2018	**8,538**	**41,911**	**(131)**	**4,999**	**55,317**
Capital increase	61	168	-	-	**229**
Changes in treasury shares held	-	-	(20)	-	**(20)**
Issuance/redemption of equity instruments	-	-	-	12	**12**
Remuneration of undated deeply subordinated notes	-	(443)	-	-	**(443)**
Dividends paid in 2018	-	(1,802)	-	-	**(1,802)**
Impact of acquisitions/disposals on non-controlling interests	-	(8)	-	-	**(8)**
Changes due to share-based payments	-	20	-	-	**20**
Changes due to transactions with shareholders	**61**	**(2,065)**	**(20)**	**12**	**(2,012)**
Changes in other comprehensive income	**-**	**(59)**	**-**	**-**	**(59)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(47)	-	-	**(47)**
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	-	(77)	-	-	**(77)**
Equity at 31 December 2018	**8,599**	**39,729**	**(151)**	**5,011**	**53,188**
Appropriation of 2018 net income	-	4,400	-	-	**4,400**
Equity at 1 January 2019	**8,599**	**44,129**	**(151)**	**5,011**	**57,588**
Impacts of new accounting standards	-	-	-	-	**-**
Equity at 1 January 2019 restated	**8,599**	**44,129**	**(151)**	**5,011**	**57,588**
Capital increase	55	96	-	-	**151**
Changes in treasury shares held	-	-	43	-	**43**
Issuance/redemption of equity instruments	-	(116)	-	123	**7**
Remuneration of undated deeply subordinated notes	-	(471)	-	-	**(471)**
Dividends paid in 2019	-	(1,976)	-	-	**(1,976)**
Impact of acquisitions/disposals on non-controlling interests	-	-	-	-	**-**
Changes due to share-based payments	-	26	-	-	**26**
Changes due to transactions with shareholders	**55**	**(2,441)**	**43**	**123**	**(2,220)**
Changes in other comprehensive income	**-**	**(30)**	**-**	**-**	**(30)**
Of which other comprehensive income on equity instruments that will not be reclassified to profit or loss reclassified to consolidated reserves	-	(22)	-	-	**(22)**
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	-	5	-	-	**5**
Net income for 2019	-	-	-	-	**-**
Other changes[1]	-	(110)	-	-	**(110)**
EQUITY AT 31 DECEMBER 2019	**8,654**	**41,553**	**(108)**	**5,134**	**55,233**

(1) 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.

See Note 2 "Major structural transactions and material events during the period".

Refer to the glossary page 647 for the definition of the technical terms.

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 comprehen-sive income on items that will not be reclassified to profit and loss	Total other comprehensive income	Total equity	Total conso-lidated equity
3,244	(1,426)	1,818	-	57,135	6,518	(94)	6	(88)	6,430	63,565
-	-	-	-	229	-	-	-	-	-	229
-	-	-	-	(20)	-	-	-	-	-	(20)
-	-	-	-	12	-	-	-	-	-	12
-	-	-	-	(443)	(13)	-	-	-	(13)	(456)
-	-	-	-	(1,802)	(353)	-	-	-	(353)	(2,155)
-	-	-	-	(8)	9	-	-	-	9	1
-	-	-	-	20	9	-	-	-	9	29
-	-	-	-	(2,012)	(348)	-	-	-	(348)	(2,360)
(908)	323	(585)	-	(644)	(1)	(18)	(13)	(31)	(32)	(676)
-	47	47	-	-	(1)	-	1	1	-	-
-	12	12	-	-	-	-	-	-	-	-
(8)	(2)	(10)	-	9	2	(2)	-	(2)	-	9
-	-	-	4,400	4,400	627	-	-	-	627	5,027
-	-	-	-	(77)	28	-	-	-	28	(49)
2,328	(1,105)	1,223	4,400	58,811	6,826	(114)	(7)	(121)	6,705	65,516
-	-	-	(4,400)	-	-	-	-	-	-	-
2,328	(1,105)	1,223	-	58,811	6,826	(114)	(7)	(121)	6,705	65,516
-	-	-	-	-	-	-	-	-	-	-
2,328	(1,105)	1,223	-	58,811	6,826	(114)	(7)	(121)	6,705	65,516
-	-	-	-	151	-	-	-	-	-	151
-	-	-	-	43	-	-	-	-	-	43
-	-	-	-	7	-	-	-	-	-	7
-	-	-	-	(471)	(27)	-	-	-	(27)	(498)
-	-	-	-	(1,976)	(376)	-	-	-	(376)	(2,352)
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	26	12	-	-	-	12	38
-	-	-	-	(2,220)	(391)	-	-	-	(391)	(2,611)
1,726	(94)	1,632	-	1,602	1	67	(16)	51	52	1,654
-	22	22	-	-	1	-	(1)	(1)	-	-
-	8	8	-	-	-	-	-	-	-	-
9	(21)	(12)	-	(7)	(1)				(1)	(8)
-	-	-	4,844	4,844	614	-	-		614	5,458
-	-	-	-	(110)	944	-	-		944	834
4,063	(1,220)	2,843	4,844	62,920	7,993	(47)	(23)	(70)	7,923	70,843

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	Notes	31/12/2019	31/12/2018
Pre-tax income		**5,952**	**6,496**
Net depreciation and impairment of property, plant & equipment and intangible assets		1,048	759
Impairment of goodwill and other fixed assets	6.15	589	(86)
Net addition to provisions		22,608	10,333
Share of net income of equity-accounted entities		(608)	(482)
Net income (loss) from investment activities		(54)	(89)
Net income (loss) from financing activities		2,955	2,970
Other movements		5,021	(2,104)
Total Non-cash and other adjustment items included in pre-tax income		**31,559**	**11,301**
Change in interbank items		(24,679)	(14,938)
Change in customer items		9,461	15,330
Change in financial assets and liabilities		21,872	7,770
Change in non-financial assets and liabilities		7,137	(651)
Dividends received from equity-accounted entities[(1)]		310	190
Taxes paid		(1,063)	(568)
Net change in assets and liabilities used in operating activities		**(30,706)**	**7,133**
Cash provided (used) by discontinued operations		**32**	**-**
Total net cash flows from (used by) operating activities (A)		**6,837**	**24,930**
Change in equity investments[(2)]		**7,229**	**(1,072)**
Change in property, plant & equipment and intangible assets		**(947)**	**(688)**
Cash provided (used) by discontinued operations		**-**	**6**
Total Net cash flows from (used by) investing activities (B)		**6,282**	**(1,754)**
Cash received from (paid to) shareholders[(3)]		**(2,666)**	**(2,465)**
Other cash provided (used) by financing activities[(4)]		**4,880**	**535**
Cash provided (used) by discontinued operations		**(9)**	**-**
Total net cash flows from (used by) financing activities (C)		**2,206**	**(1,930)**
Impact of exchange rate changes on cash and cash equivalent (D)		**1,266**	**864**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENT (A + B + C + D)		**16,591**	**22,110**
Cash and cash equivalents at beginning of period		**74,185**	**52,075**
Net cash accounts and accounts with central banks*		66,017	47,565
Net demand loans and deposits with credit institutions**		8,168	4,510
Cash and cash equivalents at end of period		**90,776**	**74,185**
Net cash accounts and accounts with central banks*		91,236	66,017
Net demand loans and deposits with credit institutions**		(460)	8,168
NET CHANGE IN CASH AND CASH EQUIVALENTS		**16,591**	**22,110**

* *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 6.3 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 Credit Agricole Consumer Finance subsidiaries for €110 million, from Amundi subsidiaries for €18 million and from Crédit Agricole S.A. for €6 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 December 2019 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 -€504 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 -€2,823 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 -€1,976 million;

– Dividends paid by non-controlled subsidiaries for -€376 million; and

– Interest, equivalent to dividends on undated financial instruments treated as equity for -€471 million.

This amount also includes issues and redemptions of equity instruments for +€123 million.

(4) **Other net cash flows from financing activities:** *at 31 December 2019, bond issues totalled €20,570 million and redemptions -€11,053 million. Subordinated debt issues totalled €1,900 million and redemptions -€3,497 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

Refer to the glossary page 647 for the definition of the technical terms.

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	Applicable in the Group	Date of first-time application : financial years from
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)	Yes	1 January 2019
Amendment to IFRS 9 "Financial instruments" Options for early redemption with negative penalty	22 March 2018 (EU 2018/498)	Yes	1 January 2019(1)
Interpretation of IFRIC 23 "Uncertainty over income tax treatments" Clarifications to IAS 12 "Income taxes"	24 October 2018 (EU 2018/1595)	Yes(2)	1 January 2019
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)	Yes Yes Yes	1 January 2019 1 January 2019 1 January 2019
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)	Yes	1 January 2019
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)	Yes	1 January 2019

(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, Crédit Agricole S.A. 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 requires 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. In accordance with this approach, for contracts previously classified under operating leases pursuant to IAS 17, on 1 January 2019 the Group recognised a lease liability equal to the present value of the remaining rental payments and a right-of-use asset equal to 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 leases with a residual maturity of less than 12 months on the date of 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 used for 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 real estate leases. 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.

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 S.A. 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 31 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.

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 and 2018, 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, is also pending adoption by the European Union. This is the amendment to IFRS 3 "Business Combinations" (with potential 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 €807 billion.

The Group will apply the amendments to IFRS 9 published by the IASB on 26 September 2019 where uncertainties about the benchmarks will concern the timings and amounts of interest rate benchmark-based 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/provision 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 Crédit Agricole S.A. 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 Crédit Agricole S.A. 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 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	Business models: Collect and sell	Business models: Other/Sell
SPPI test	Passed	Amortised cost	Fair value through other comprehensive income (items that can be reclassified)	Fair value through profit or loss
SPPI test	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.

Refer to the glossary page 647 for the definition of the technical terms.

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 Crédit Agricole S.A. 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 Crédit Agricole S.A. 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 S.A. 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

Crédit Agricole S.A. 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, Crédit Agricole S.A. 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, Crédit Agricole S.A. 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 S.A. 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 S.A. 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 S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 Crédit Agricole S.A., 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: 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 treasury shares bought by Crédit Agricole S.A. 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, Crédit Agricole S.A. 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 IFRS 16; 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 5 "Risks 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.

Refer to the glossary page 647 for the definition of the technical terms.

In the absence of an internal rating model, Crédit Agricole S.A. 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 S.A 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 S.A. 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 "Risks and Pillar 3" Chapter of the Crédit Agricole S.A. Universal Registration Document, 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. 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 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A. 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 S.A.'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 5 "Risk and Pillar 3" of Crédit Agricole S.A. Universal Registration Document.

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;

Refer to the glossary page 647 for the definition of the technical terms.

- 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 5 "Risk and Pillar 3" of the Crédit Agricole S.A. Universal Registration Document.

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 S.A., and DVA, the expected losses due to Crédit Agricole S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. 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 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".

Refer to the glossary page 647 for the definition of the technical terms.

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;
- other long-term benefits (long-service awards, bonuses and compensation 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 S.A. 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 recognited 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 S.A.'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 S.A. 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 year in which the related services have been rendered.

These include, in particular, bonuses and other deferred compensation payable twelve or more months after the end of the period year 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 S.A. 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 S.A. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 before translation:

- 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 (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 S.A.'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;
- 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 4.6 "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.

Furthermore, in accordance with the provisions of IFRS 4, the Group ensures at each reporting date that the liabilities recognised for insurance policies and investment contracts containing discretionary participation (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.

Refer to the glossary page 647 for the definition of the technical terms.

The lease expense is broken down into interest and amortisation of capital.

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, reduced by the lease inducements. It is amortised over the estimated term of the lease.

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 income 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 S.A. and those of all companies over which, in compliance with IFRS 10, IFRS 11 and IAS 28, Crédit Agricole S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A., 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 S.A. 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, minority interests held by entities for which the paragraph 18 option has been applied, are excluded from the scope of consolidation insofar as they are classified under financial assets at fair value through profit or loss by nature.

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 S.A. 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 S.A.;
- the equity method, for the entities over which Crédit Agricole S.A. 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 S.A. 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 international operations (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 exchange rate. Equity items, such as share capital or reserves, are converted 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 of 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 than 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 Crédit Agricole S.A 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 Crédit Agricole S.A'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 €1,443 million in the total balance sheet, there was no impact on income and 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 “Change in 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. 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, €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.

Refer to the glossary page 647 for the definition of the technical terms.

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 €611 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 S.A., 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 management" 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

(See chapter "Risk factors – 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 ("Cost of risk") relating to 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.

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	**57,699**	**(16)**	**71**	**(2)**	**26**	**(14)**	**57,796**	**(32)**	**57,764**
Transfers between buckets during the period	**51**	**-**	**(51)**	**1**	**-**	**-**	**-**	**1**	
Transfers from Bucket 1 to Bucket 2	(10)	-	10	-	-		-	-	
Return to Bucket 2 from Bucket 1	61	-	(61)	1	-		-	1	
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	**57,750**	**(16)**	**20**	**(1)**	**26**	**(14)**	**57,796**	**(31)**	**57,765**
Changes in carrying amounts and loss allowances	**13,888**	**(11)**	**360**	**(11)**	**(3)**	**(1)**	**14,244**	**(22)**	
New financial production: purchase, granting, origination(2)	23,043	(22)	358	(14)	-		23,402	(37)	
Derecognition: disposal, repayment, maturity...	(12,565)	17	(139)	14	(4)	-	(12,708)	31	
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	**71,638**	**(27)**	**380**	**(12)**	**23**	**(15)**	**72,040**	**(53)**	**71,987**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)(3)	532		-		-		532		
BALANCE AT 31 DECEMBER 2019	**72,170**	**(27)**	**380**	**(12)**	**23**	**(15)**	**72,572**	**(53)**	**72,519**
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, or to Bucket 2 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.

Refer to the glossary page 647 for the definition of the technical terms.

Financial assets at amortised cost: loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)

	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	**99,819**	**(27)**	**71**	**(1)**	**412**	**(391)**	**100,302**	**(419)**	**99,883**
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	**99,731**	**(27)**	**70**	**(1)**	**501**	**(399)**	**100,302**	**(427)**	**99,875**
Changes in carrying amounts and loss allowances	**5,568**	**-**	**(43)**	**1**	**(1)**	**10**	**5,524**	**11**	
New financial production: purchase, granting, origination[2]	22,873	(11)	23	(6)			22,896	(17)	
Derecognition: disposal, repayment, maturity...	(18,961)	15	(66)	1	(11)	1	(19,038)	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		(6)		-		17	-	11	
Changes in model/methodology		2		1		-	-	3	
Changes in scope	1,083	-	-	-	-	-	1,083	-	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Others	573	2	-	5	10	(8)	583	(1)	
Total	**105,299**	**(27)**	**27**	**-**	**500**	**(389)**	**105,826**	**(416)**	**105,410**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)[3]	(1,368)		(1)		5		(1,362)		
BALANCE AT 31 DECEMBER 2019	**103,931**	**(27)**	**26**	**-**	**505**	**(389)**	**104,464**	**(416)**	**104,048**
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, or to Bucket 2 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	**334,297**	**(792)**	**31,698**	**(1,417)**	**13,016**	**(7,346)**	**379,011**	**(9,555)**	**369,456**
Transfers between buckets during the period	**(2,803)**	**(88)**	**333**	**190**	**2,470**	**(1,053)**	**-**	**(951)**	
Transfers from Bucket 1 to Bucket 2	(8,511)	187	8,511	(389)			-	(202)	
Return to Bucket 2 from Bucket 1	7,143	(323)	(7,143)	495	-	-	-	172	
Transfer to lifetime ECL impaired (Bucket 3)(1)	(1,543)	57	(1,282)	110	2,825	(1,173)	-	(1,006)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/12-month ECL (Bucket 1)	108	(9)	247	(26)	(355)	120	-	85	
Total after transfers	**331,494**	**(880)**	**32,031**	**(1,227)**	**15,486**	**(8,399)**	**379,011**	**(10,506)**	**368,505**
Changes in carrying amounts and loss allowances	**32,830**	**137**	**(689)**	**(50)**	**(2,723)**	**1,207**	**29,418**	**1,294**	
New financial production: purchase, granting, origination(2)	156,891	(403)	8,959	(774)			165,851	(1,177)	
Derecognition: disposal, repayment, maturity...	(124,528)	383	(9,738)	439	(1,286)	486	(135,552)	1,308	
Write-offs					(1,461)	1,382	(1,461)	1,382	
Changes of cash flows resulting in restructuring due to financial difficulties	(4)	-	(9)	1	(16)	(4)	(29)	(3)	
Changes in models' credit risk parameters during the period		153		231		(726)	-	(342)	
Changes in model/methodology		(4)		44		-	-	40	
Changes in scope	1,364	-	25	(1)	14	(13)	1,403	(14)	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-	-	-	
Others	(893)	8	74	10	26	82	(793)	100	
Total	**364,324**	**(743)**	**31,342**	**(1,277)**	**12,763**	**(7,192)**	**408,429**	**(9,212)**	**399,217**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)(3)	(3,887)		(517)		367		(4,036)		
BALANCE AT 31 DECEMBER 2019	**360,437**	**(743)**	**30,825**	**(1,277)**	**13,130**	**(7,192)**	**404,392**	**(9,212)**	**395,180**
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, or to Bucket 2 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 31 December 2018	**248,036**	**(113)**	**2,166**	**(22)**	**-**	**(4)**	**250,202**	**(139)**
Transfers between buckets during the period	**(630)**	**1**	**632**	**1**			**2**	**2**
Transfers from Bucket 1 to Bucket 2	(775)	1	774	(2)			(1)	(1)
Return to Bucket 2 from Bucket 1	145	-	(142)	3	-	-	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	**247,406**	**(112)**	**2,798**	**(21)**	**-**	**(4)**	**250,204**	**(137)**
Changes in carrying amounts and loss allowances	**8,839**	**(23)**	**(184)**	**(13)**	**-**	**-**	**8,655**	**(36)**
Fair value revaluation during the period	6,639		20		-		6,659	
New financial production: purchase, granting, origination(2)	27,097	(28)	2,018	(14)			29,115	(42)
Derecognition: disposal, repayment, maturity...	(26,758)	13	(2,257)	4	-	-	(29,015)	17
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	(65)	3	34	(3)	-	-	(31)	-
Total	**256,245**	**(135)**	**2,614**	**(34)**	**-**	**(4)**	**258,859**	**(173)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)(3)	(56)		-		-		(56)	
BALANCE AT 31 DECEMBER 2019	**256,189**	**(135)**	**2,614**	**(34)**	**-**	**(4)**	**258,803**	**(173)**
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, or to Bucket 2 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 (excluding Crédit Agricole internal operations)

	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	**163,165**	**(160)**	**5,181**	**(246)**	**247**	**(19)**	**168,593**	**(425)**	**168,168**
Transfer between buckets during the period	**(901)**	**(13)**	**684**	**26**	**217**	**(16)**	**-**	**(3)**	
Transfers from Bucket 1 to Bucket 2	(1,762)	15	1,762	(33)			-	(18)	
Return to Bucket 2 from Bucket 1	1,036	(28)	(1,036)	59			-	31	
Transfer to lifetime ECL impaired (Bucket 3)(1)	(177)	-	(64)	-	241	(17)	-	(17)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/12-month ECL (Bucket 1)	2	-	22	-	(24)	1	-	1	
Total after transfers	**162,264**	**(173)**	**5,865**	**(220)**	**464**	**(35)**	**168,593**	**(428)**	**168,165**
Changes in commitments and loss allowances	**(14,244)**	**4**	**(768)**	**39**	**16**	**(23)**	**(14,995)**	**19**	
New commitments given(2)	67,745	(87)	1,755	(120)			69,500	(207)	
End of commitments	(82,562)	77	(2,478)	139	(242)	15	(85,282)	230	
Write-off					-	-	-	-	
Changes of cash flows resulting in restructuring due to financial difficulties	-	-	-	-	-	-	-	-	
Changes in models' credit risk parameters during the period		10		7		(38)		(21)	
Changes in model/ methodology		6		17		-		23	
Transfers in non-current assets held for sale and discontinued operations	-	-	-	-	-	-			
Changes in scope	36						36		
Others	537	(2)	(45)	(4)	259	-	751	(6)	
BALANCE AT 31 DECEMBER 2019	**148,020**	**(169)**	**5,097**	**(181)**	**481**	**(58)**	**153,598**	**(409)**	**153,189**

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgraded directly to Bucket 3, or to Bucket 2 and later to Bucket 3.

(2) New commitments given in Bucket 2 could include some originations in Bucket 1 reclassified in Bucket 2 during the period.

Refer to the glossary page 647 for the definition of the technical terms.

Guarantee commitments (excluding Crédit Agricole internal operations)

	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	**78,446**	**(56)**	**3,813**	**(106)**	**2,790**	**(285)**	**85,049**	**(447)**	**84,602**
Transfer between buckets during the period	**(804)**	**(3)**	**720**	**10**	**84**	**(122)**	**-**	**(115)**	
Transfers from Bucket 1 to Bucket 2	(1,158)	2	1,158	(6)	-	-	-	(4)	
Return to Bucket 2 from Bucket 1	378	(5)	(378)	8	-	-	-	3	
Transfer to lifetime ECL impaired (Bucket 3)[1]	(566)	-	(62)	8	628	(123)	-	(115)	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/12-month ECL (Bucket 1)	542	-	2	-	(544)	1	-	1	
Total after transfers	**77,642**	**(59)**	**4,533**	**(96)**	**2,874**	**(407)**	**85,049**	**(562)**	**84,487**
Changes in commitments and loss allowances	**2,487**	**11**	**45**	**(16)**	**220**	**68**	**2,751**	**64**	
New commitments given[2]	29,061	(18)	1,833	(55)			30,894	(73)	
End of commitments	(25,662)	23	(1,805)	34	(149)	42	(27,616)	99	
Write-offs	-	-	-	-	(58)	41	(58)	41	
Changes of cash flows resulting in restructuring due to financial difficulties	-	3	-	6	-	-	-	9	
Changes in models' credit risk parameters during the period	-	3	-	-	-	(12)	-	(9)	
Changes in model/ methodology		1		2		-	-	3	
Transfers in non-current assets held for sale and discontinued operations	-			-		-	-	-	
Changes in scope	-	-	-	-	-	-			
Others	(912)	(1)	17	(3)	427	(3)	(468)	(7)	
BALANCE AT 31 DECEMBER 2019	**80,129**	**(48)**	**4,578**	**(112)**	**3,094**	**(339)**	**87,800**	**(498)**	**87,304**

(1) Transfers to Bucket 3 correspond to outstanding amounts initially classified as Bucket 1 which, during the year, were downgraded directly to Bucket 3, or to Bucket 2 and later to Bucket 3.

(2) New commitments given in Bucket 2 could include some originations in Bucket 1 reclassified in Bucket 2 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	Financial guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**296,409**	**-**	**3,327**	**1,798**	**79**	**-**
Held for trading financial assets	223,820	-	-	1,769	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	72,588	-	3,327	29	79	-
Financial assets designated at fair value through profit or loss	1	-	-	-	-	-
Hedging derivative Instruments	**19,368**	**-**	**-**	**1,298**	**-**	**-**
TOTAL	**315,777**	**-**	**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	Financial guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**282,737**	**-**	**1,906**	**472**	**35**	**-**
Financial assets held for trading	222,828	-	-	383	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	59,907	-	1,906	89	35	-
Financial assets designated at fair value through profit or loss	2	-	-	-	-	-
Hedging derivative Instruments	**14,322**	**-**	**-**	**506**	**-**	**-**
TOTAL	**297,059**	**-**	**1,906**	**978**	**35**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

Financial assets subject to impairment 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	Financial guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	**258,803**	**-**	**-**	**-**	**-**	**-**
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	**258,803**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**571,730**	**12,087**	**77,551**	**7,564**	**114,228**	**288**
of which impaired assets at the reporting date	6,066	103	703	116	887	-
Loans and receivables due from credit institutions (excluding Crédit Agricole internal transactions)	**104,030**	**4,030**	**-**	**81**	**5,157**	**-**
of which impaired assets at the reporting date	115	-	-	-	77	-
Loans and receivables due from customers	**395,181**	**8,057**	**77,551**	**7,483**	**109,071**	**288**
of which impaired assets at the reporting date	5,942	103	703	116	810	-
Debt securities	**72,519**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	9	-	-	-	-	-
TOTAL	**830,533**	**12,087**	**77,551**	**7,564**	**114,228**	**288**
of which impaired assets at the reporting date	6,066	103	703	116	887	-

	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	Financial guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	**250,202**	**-**	**-**	**-**	**-**	**-**
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	**250,201**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Financial assets at amortised cost	**527,087**	**8,641**	**76,224**	**6,031**	**105,003**	**387**
of which impaired assets at the reporting date	5,703	128	1,291	26	2,999	-
Loans and receivables due from credit institutions	**99,867**	**1,442**	**-**	**137**	**5,790**	**-**
of which impaired assets at the reporting date	20	-	-	-	2,324	-
Loans and receivables due from customers	**369,456**	**7,199**	**76,224**	**5,894**	**99,213**	**387**
of which impaired assets at the reporting date	5,670	128	1,291	26	675	-
Debt securities	**57,764**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	12	-	-	-	-	-
TOTAL	**777,289**	**8,641**	**76,224**	**6,031**	**105,003**	**387**
of which impaired assets at the reporting date	5,704	128	1,291	26	2,999	-

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	Financial guarantees	Credit derivatives
Guarantee commitments (excluding Credit Agricole internal transactions)	**87,302**	**-**	**23**	**434**	**5,980**	**784**
of which provisioned commitments at the reporting date	2,755	-	-	64	14	-
Financing commitments (excluding Credit Agricole internal transactions)	**153,187**	**2**	**1,146**	**1,173**	**17,315**	**7,785**
of which provisioned commitments at the reporting date	423	-	2	13	61	-
TOTAL	**240,490**	**2**	**1,169**	**1,606**	**23,295**	**8,569**
of which provisioned commitments at the reporting date	3,178	-	2	76	75	-

A description of the assets held as collateral is provided in Note 9 “Commitments given and received and other guarantees”.

	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	Financial guarantees	Credit derivatives
Guarantee commitments	**84,603**	**-**	**8**	**357**	**5,995**	**4**
of which provisioned commitments at the reporting date	2,505	-	-	27	13	-
Financing commitments	**168,168**	**-**	**868**	**810**	**16,854**	**4,409**
of which provisioned commitments at the reporting date	228	-	3	8	4	-
TOTAL	**252,771**	**-**	**876**	**1,167**	**22,849**	**4,413**
of which provisioned commitments at the reporting date	2,733	-	3	35	16	-

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 Credit Agricole internal transactions)	**-**	**-**	**-**
Gross carrying amount before modification	-	-	-
Net gains (losses) resulting from the modification	-	-	-
Loans and receivables due from customers	**5**	**785**	**705**
Gross carrying amount before modification	9	794	720
Net gains (losses) resulting from the modification	(4)	(9)	(15)
Debt securities	**5**	**1**	**-**
Gross carrying amount before modification	-	-	-
Net gains (losses) resulting from the modification	5	1	-

Refer to the glossary page 647 for the definition of the technical terms.

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:

(in millions of euros)	Gross carrying amount 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 Credit Agricole internal transactions)	-
Loans and receivables due from customers	88
Debt securities	-
TOTAL	**88**

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".

Financial assets at amortised cost (excluding Crédit Agricole internal transactions)

		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%	95,270	339	-	**95,609**
	0.5% < PD ≤ 2%	38,733	844	-	**39,577**
	2% < PD ≤ 20%	20,707	11,430	-	**32,137**
	20% < PD < 100%	-	1,479	-	**1,479**
	PD = 100%	-	-	4,623	**4,623**
Total Retail customers		**154,710**	**14,092**	**4,623**	**173,425**
Non-retail customers	PD ≤ 0.6%	668,345	4,712	-	**673,057**
	0.6% < PD < 12%	48,015	7,993	-	**56,008**
	12% ≤ PD < 100%	-	4,434	-	**4,434**
	PD = 100%	-	-	9,038	**9,038**
Total Non-retail customers		**716,360**	**17,139**	**9,038**	**742,537**
Impairment		(800)	(1,287)	(7,595)	**(9,682)**
TOTAL		**870,270**	**29,944**	**6,066**	**906,280**

		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%	87,946	316	-	**88,262**
	0.5% < PD ≤ 2%	35,973	887	-	**36,860**
	2% < PD ≤ 20%	20,572	10,655	-	**31,227**
	20% < PD < 100%	-	1,711	-	**1,711**
	PD = 100%	-	-	4,897	**4,897**
Total Retail customers		**144,491**	**13,569**	**4,897**	**162,957**
Non-retail customers	PD ≤ 0.6%	285,549	6,194	-	**291,743**
	0.6% < PD < 12%	61,775	9,323	-	**71,098**
	12% ≤ PD < 100%	-	2,754	-	**2,754**
	PD = 100%	-	-	8,557	**8,557**
Total Non-retail customers		**347,324**	**18,271**	**8,557**	**374,152**
Impairment		(835)	(1,420)	(7,751)	**(10,006)**
TOTAL		**490,980**	**30,420**	**5,703**	**527,103**

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%	49	3	-	52
	0.5% < PD ≤ 2%	-	-	-	-
	2% < PD ≤ 20%	-	-	-	-
	20% < PD < 100%	-	-	-	-
	PD = 100%	-	-	-	-
Total Retail customers		**49**	**3**	**-**	**52**
Non-retail customers	PD ≤ 0.6%	255,790	1,188	-	**256,978**
	0.6% < PD < 12%	349	1,424	-	**1,773**
	12% ≤ PD < 100%	-	-	-	-
	PD = 100%	-	-	-	-
Total Non-retail customers		**256,139**	**2,612**	**-**	**258,751**
TOTAL		**256,188**	**2,615**	**-**	**258,803**

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	Credit risk rating grades	At 31 December 2018			
		Carrying amount			
		Performing assets			
		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%	-	-	-	-
	0.5% < PD ≤ 2%	-	-	-	-
	2% < PD ≤ 20%	-	-	-	-
	20% < PD < 100%	-	-	-	-
	PD = 100%	-	-	-	-
Total Retail customers		**-**	**-**	**-**	**-**
Non-retail customers	PD ≤ 0.6%	246,354	1,446	-	**247,800**
	0.6% < PD < 12%	1,682	716	-	**2,398**
	12% ≤ PD < 100%	-	4	-	**4**
	PD = 100%	-	-	-	**-**
Total Non-retail customers		**248,036**	**2,166**	**-**	**250,202**
TOTAL		**248,036**	**2,166**	**-**	**250,202**

Financing commitments (excluding Crédit Agricole internal transactions)

(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)	Commitments subject to lifetime ECL (Bucket 2)	Provisioned commitments (Bucket 3)	Total
Retail customers	PD ≤ 0.5%	11,460	29	-	**11,489**
	0.5% < PD ≤ 2%	4,520	63	-	**4,583**
	2% < PD ≤ 20%	3,139	825	-	**3,963**
	20% < PD < 100%	-	45	-	**45**
	PD = 100%	-	-	36	**36**
Total Retail customers		**19,119**	**961**	**36**	**20,116**
Non-retail customers	PD ≤ 0.6%	115,057	1,486	-	**116,543**
	0.6% < PD < 12%	13,780	2,006	-	**15,786**
	12% ≤ PD < 100%	-	643	-	**643**
	PD = 100%	-	-	445	**446**
Total Non-retail customers		**128,837**	**4,135**	**445**	**133,418**
Provisions[1]		(171)	(181)	(58)	**(410)**
TOTAL		**147,785**	**4,915**	**423**	**153,124**

(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%	12,177	54	-	**12,231**
	0.5% < PD ≤ 2%	3,010	133	-	**3,143**
	2% < PD ≤ 20%	2,627	636	-	**3,263**
	20% < PD < 100%	-	58	-	**58**
	PD = 100%	-	-	17	**17**
Total Retail customers		**17,814**	**881**	**17**	**18,712**
Non-retail customers	PD ≤ 0.6%	136,687	3,289	-	**139,976**
	0.6% < PD < 12%	8,663	751	-	**9,414**
	12% ≤ PD < 100%	-	260	-	**260**
	PD = 100%	-	-	231	**231**
Total Non-retail customers		**145,350**	**4,300**	**231**	**149,881**
Provisions[1]		(160)	(246)	(19)	**(425)**
TOTAL		**163,004**	**4,935**	**229**	**168,168**

(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 (excluding Crédit Agricole internal transactions)

(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%	881	18	-	**899**
	0.5% < PD ≤ 2%	160	-	-	**160**
	2% < PD ≤ 20%	19	23	-	**42**
	20% < PD < 100%	-	-	-	**-**
	PD = 100%	-	-	83	**83**
Total Retail customers		**1,060**	**41**	**83**	**1,184**
Non-retail customers	PD ≤ 0.6%	73,200	2,158	-	**75,358**
	0.6% < PD < 12%	5,855	1,154	-	**7,009**
	12% ≤ PD < 100%	-	1,226	-	**1,226**
	PD = 100%	-	-	3,011	**3,011**
Total Non-retail customers		**79,055**	**4,538**	**3,011**	**86,604**
Provisions[1]		(47)	(113)	(339)	**(499)**
TOTAL		**80,068**	**4,466**	**2,755**	**87,289**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Refer to the glossary page 647 for the definition of the technical terms.

		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%	868	15	-	883
	0.5% < PD ≤ 2%	135	1	-	136
	2% < PD ≤ 20%	35	19	-	54
	20% < PD < 100%	-	3	-	3
	PD = 100%	-	-	69	69
Total Retail customers		**1,038**	**38**	**69**	**1,145**
Non-retail customers	PD ≤ 0.6%	74,849	2,840	-	77,689
	0.6% < PD < 12%	2,558	878	-	3,436
	12% ≤ PD < 100%	-	58	-	58
	PD = 100%	-	-	2,721	2,721
Total Non-retail customers		**77,407**	**3,776**	**2,721**	**83,904**
Provisions[(1)]		(56)	(106)	(285)	(447)
TOTAL		**78,389**	**3,708**	**2,505**	**84,602**

(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	-
Central banks	-
Credit institutions	-
Large corporates	1
Retail customers	-
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**1**

	31/12/2018
(in millions of euros)	Carrying amount
General administration	-
Central banks	-
Credit institutions	-
Large corporates	2
Retail customers	-
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**2**

Financial assets at amortised cost by customer type (excluding Crédit Agricole internal transactions)

	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	38,062	179	112	**38,353**
Central banks	26,066	-	-	**26,066**
Credit institutions	96,525	27	505	**97,057**
Large corporates	221,511	16,933	8,421	**246,865**
Retail customers	154,373	14,092	4,623	**173,088**
Impairment	(800)	(1,287)	(7,595)	**(9,682)**
TOTAL	**535,737**	**29,944**	**6,066**	**571,747**

	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	32,642	137	87	**32,866**
Central banks	30,140	-	-	**30,140**
Credit institutions	83,432	70	411	**83,913**
Large corporates	201,057	18,064	8,059	**227,180**
Retail customers	144,544	13,569	4,897	**163,010**
Impairment	(835)	(1,420)	(7,751)	**(10,006)**
TOTAL	**490,980**	**30,420**	**5,703**	**527,103**

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	116,377	700	-	**117,077**
Central banks	384	544	-	**928**
Credit institutions	67,951	4	-	**67,955**
Large corporates	71,428	1,363	-	**72,791**
Retail customers	49	3	-	**52**
TOTAL	**256,189**	**2,614**	**-**	**258,803**

	At 31 December 2018			
	Carrying amount			
	Performing assets			
(in million 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	107,245	447	-	**107,692**
Central banks	1,025	-	-	**1,025**
Credit institutions	71,789	3	-	**71,792**
Large corporates	67,977	1,716	-	**69,693**
Retail customers	-	-	-	**-**
TOTAL	**248,036**	**2,166**	**-**	**250,202**

Refer to the glossary page 647 for the definition of the technical terms.

Due to customers by customer type

(in millions of euros)	31/12/2019	31/12/2018
General administration	25,015	16,803
Large corporates	219,466	200,104
Retail customers	402,433	380,263
TOTAL AMOUNT DUE TO CUSTOMERS	**646,914**	**597,170**

Financing commitments by customer type (excluding Crédit Agricole internal transactions)

	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	2,669	214	31	**2,914**
Central banks	94	-	-	**94**
Credit institutions	12,144	-	1	**12,145**
Large corporates	114,573	3,921	414	**118,908**
Retail customers	18,540	961	35	**19,536**
Provisions[1]	(171)	(181)	(58)	**(410)**
TOTAL	**147,849**	**4,915**	**423**	**153,187**

(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	4,076	8	-	**4,084**
Central banks	641	-	-	**641**
Credit institutions	23,983	-	1	**23,984**
Large corporates	116,651	4,292	230	**121,173**
Retail customers	17,814	881	16	**18,711**
Provisions[1]	(160)	(246)	(19)	**(425)**
TOTAL	**163,005**	**4,935**	**228**	**168,168**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Refer to the glossary page 647 for the definition of the technical terms.

Guarantee commitments by customer type (excluding Crédit Agricole internal transactions)

	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	291	6	-	**297**
Central banks	511	-	-	**511**
Credit institutions	7,874	28	47	**7,949**
Large corporates	70,393	4,504	2,964	**77,861**
Retail customers	1,060	41	83	**1,184**
Provisions[1]	(48)	(113)	(339)	**(500)**
TOTAL	**80,081**	**4,466**	**2,755**	**87,302**

(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	332	6	-	**338**
Central banks	568	-	-	**568**
Credit institutions	7,811	28	59	**7,898**
Large corporates	68,696	3,742	2,662	**75,100**
Retail customers	1,038	38	69	**1,145**
Provisions[1]	(56)	(106)	(285)	**(447)**
TOTAL	**78,389**	**3,708**	**2,505**	**84,602**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Credit risk concentrations by geographical area

Financial assets at amortised cost by geographical area (excluding Crédit Agricole internal transactions)

	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)	273,736	15,968	4,800	**294,504**
Other European Union countries	142,978	7,899	6,015	**156,892**
Other European countries	18,480	750	265	**19,495**
North America	34,898	964	392	**36,254**
Central and South America	9,465	1,219	692	**11,376**
Africa and Middle East	17,289	2,228	1,241	**20,758**
Asia-Pacific (ex. Japan)	31,083	1,717	256	**33,056**
Japan	5,938	486	-	**6,424**
Supranational organisations	2,670	-	-	**2,670**
Impairment	(800)	(1,287)	(7,595)	**(9,682)**
TOTAL	**535,737**	**29,944**	**6,066**	**571,747**

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	At 31 December 2018 Carrying amount			
	Performing assets			
	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)	247,024	14,920	4,495	**266,439**
Other European Union countries	141,448	8,403	6,238	**156,089**
Other European countries	15,940	1,038	297	**17,275**
North America	31,693	871	123	**32,687**
Central and South America	8,782	1,581	709	**11,072**
Africa and Middle East	14,636	1,991	1,278	**17,905**
Asia-Pacific (ex. Japan)	24,761	2,746	314	**27,821**
Japan	5,211	290	-	**5,501**
Supranational organisations	2,320	-	-	**2,320**
Impairment	(835)	(1,420)	(7,751)	**(10,006)**
TOTAL	**490,980**	**30,420**	**5,703**	**527,103**

Financial assets at fair value through other comprehensive income that may be reclassified to profit or loss by geographical area

(in millions of euros)	At 31 December 2019 Carrying amount			
	Performing assets			
	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)	127,049	893	-	**127,942**
Other European Union countries	96,721	917	-	**97,638**
Other European countries	4,055	-	-	**4,055**
North America	18,695	-	-	**18,695**
Central and South America	333	-	-	**333**
Africa and Middle East	546	804	-	**1,350**
Asia-Pacific (ex. Japan)	5,522	-	-	**5,522**
Japan	634	-	-	**634**
Supranational organisations	2,634	-	-	**2,634**
TOTAL	**256,189**	**2,614**	**-**	**258,803**

(in millions of euros)	At 31 December 2018 Carrying amount			
	Performing assets			
	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)	123,231	1,088	-	**124,319**
Other European Union countries	87,396	1,078	-	**88,474**
Other European countries	4,248	-	-	**4,248**
North America	20,866	-	-	**20,866**
Central and South America	238	-	-	**238**
Africa and Middle East	1,269	-	-	**1,269**
Asia-Pacific (ex. Japan)	6,027	-	-	**6,027**
Japan	426	-	-	**426**
Supranational organisations	4,335	-	-	**4,335**
TOTAL	**248,036**	**2,166**	**-**	**250,202**

Due to customers by geographical area

(in millions of euros)	31/12/2019	31/12/2018
France (including overseas departments and territories)	442,439	412,491
Other European Union countries	127,097	111,558
Other European countries	14,387	15,434
North America	14,448	14,180
Central and South America	4,435	4,170
Africa and Middle East	17,939	12,736
Asia-Pacific (ex. Japan)	12,889	12,789
Japan	13,271	13,723
Supranational organisations	9	89
TOTAL AMOUNT DUE TO CUSTOMERS	**646,914**	**597,170**

Financing commitments by geographical area (excluding Crédit Agricole internal transactions)

	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)	57,698	1,912	152	**59,763**
Other European Union countries	41,492	1,493	163	**43,148**
Other European countries	6,565	172	69	**6,806**
North America[(1)]	26,025	1,102	80	**27,207**
Central and South America	3,391	63	17	**3,471**
Africa and Middle East	5,323	240	-	**5,563**
Asia-Pacific (ex. Japan)	6,566	85	-	**6,651**
Japan	959	29	-	**988**
Supranational organisations	-	-	-	**-**
Provisions[(1)]	(171)	(181)	(58)	**(410)**
TOTAL	**147,849**	**4,915**	**423**	**153,187**

(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)	64,377	1,755	88	**66,220**
Other European Union countries	45,323	1,535	132	**46,990**
Other European countries	6,552	225	11	**6,788**
North America[(1)]	26,962	1,159	13	**28,134**
Central and South America	3,182	149	-	**3,331**
Africa and Middle East	5,766	155	3	**5,924**
Asia-Pacific (ex. Japan)	7,412	202	-	**7,614**
Japan	3,591	1	-	**3,592**
Supranational organisations	-	-	-	**-**
Provisions[(1)]	(160)	(246)	(19)	**(425)**
TOTAL	**163,005**	**4,935**	**228**	**168,168**

(1) Expected or proven losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities on the balance sheet.

Refer to the glossary page 647 for the definition of the technical terms.

Guarantee commitments by geographical area (excluding Crédit Agricole internal transactions)

	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)	35,531	1,133	459	**37,123**
Other European Union countries	16,054	1,626	2,132	**19,814**
Other European countries	4,346	697	-	**5,044**
North America	10,243	635	397	**11,275**
Central and South America	1,059	1	29	**1,089**
Africa and Middle East	3,318	66	76	**3,461**
Asia-Pacific (ex. Japan)	6,732	235	-	**6,966**
Japan	2,845	185	-	**3,031**
Supranational organisations	-	-	-	**-**
Provisions[1]	(47)	(113)	(339)	**(500)**
TOTAL	**80,082**	**4,466**	**2,755**	**87,302**

(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)	34,766	1,022	309	**36,097**
Other European Union countries	16,323	1,219	2,345	**19,887**
Other European countries	4,197	607	-	**4,804**
North America	9,828	312	24	**10,164**
Central and South America	1,485	18	69	**1,572**
Africa and Middle East	3,256	105	43	**3,404**
Asia-Pacific (ex. Japan)	5,395	298	-	**5,693**
Japan	3,195	233	-	**3,428**
Supranational organisations	-	-	-	**-**
Provisions[1]	(56)	(106)	(285)	**(447)**
TOTAL	**78,389**	**3,708**	**2,505**	**84,602**

(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 Information on watch list or individually impaired financial assets

Analysis of watch list or individually impaired financial assets by customer type

	Carrying amount at 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	**2,793**	**1,058**	**-**	**1,444**	**1,073**	**9**	**129**	**139**	**4,014**
General administration	107	69	-	5	3	-	-	-	45
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	43	100	-	-	-	-	-	-	59
Large corporates	1,667	760	-	426	468	5	39	24	2,453
Retail customers	976	129	-	1,013	602	4	90	115	1,457
TOTAL	**3,708**	**1,058**	**-**	**1,444**	**1,430**	**9**	**129**	**139**	**4,014**

	Carrying amount at 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	**4,189**	**1,015**	**-**	**995**	**1,149**	**41**	**64**	**477**	**4,668**
General administration	51	163	-	3	1	-	-	-	60
Central banks	-	-	-	-	-	-	-	-	-
Credit institutions	28	24	-	2	1	-	-	-	-
Large corporates	2,819	577	-	147	713	8	11	284	3,149
Retail customers	1,290	252	-	843	434	33	53	193	1,458
TOTAL	**4,189**	**1,015**	**-**	**995**	**1,149**	**41**	**64**	**477**	**4,668**

Refer to the glossary page 647 for the definition of the technical terms.

3.2 MARKET RISK

(See chapter on "Risk management – 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			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	**-**	**-**	**-**	**2,581**	**4,000**	**12,033**	**18,614**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	2,553	3,992	12,025	**18,570**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	28	8	8	**44**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**150**	**56**	**13**	**219**
Currency futures	-	-	-	150	56	13	**219**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**36**	**-**	**-**	**36**
Others	-	-	-	36	-	-	**36**
Subtotal	**-**	**-**	**-**	**2,767**	**4,056**	**12,046**	**18,869**
Forward currency transactions	-	-	-	498	1	-	**499**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – ASSETS	**-**	**-**	**-**	**3,265**	**4,057**	**12,046**	**19,368**

							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	**-**	**-**	**-**	**1,586**	**5,291**	**7,062**	**13,938**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,496	5,283	7,062	**13,840**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	90	8	-	**98**
Other options	-	-	-	-	-	-	**-**
Currency instruments	**-**	**-**	**-**	**100**	**49**	**19**	**168**
Currency futures	-	-	-	100	49	19	**168**
Currency options	-	-	-	-	-	-	**-**
Other instruments	**-**	**-**	**-**	**46**	**-**	**-**	**46**
Other	-	-	-	46	-	-	**46**
Subtotal	**-**	**-**	**-**	**1,731**	**5,340**	**7,081**	**14,152**
Forward currency transactions	-	-	-	170	-	-	**170**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – ASSETS	**-**	**-**	**-**	**1,901**	**5,340**	**7,081**	**14,322**

Refer to the glossary page 647 for the definition of the technical terms.

Hedging derivative instruments – 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	**-**	**-**	**-**	**1,664**	**3,985**	**7,174**	**12,823**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,664	3,977	7,174	**12,815**
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	**-**	**-**	**-**	**1,842**	**3,988**	**7,190**	**13,020**
Forward currency transactions	-	-	-	273	-	-	**273**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – LIABILITIES	**-**	**-**	**-**	**2,115**	**3,988**	**7,190**	**13,293**

	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	**-**	**-**	**-**	**1,165**	**4,745**	**5,755**	**11,665**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,156	4,739	5,755	**11,650**
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**
Other	-	-	-	65	-	-	**65**
Subtotal	**-**	**-**	**-**	**1,341**	**4,748**	**5,760**	**11,849**
Forward currency transactions	-	-	-	236	-	-	**236**
TOTAL FAIR VALUE OF HEDGING DERIVATIVES – LIABILITIES	**-**	**-**	**-**	**1,577**	**4,748**	**5,760**	**12,085**

Refer to the glossary page 647 for the definition of the technical terms.

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**	**-**	**2,441**	**18,234**	**51,172**	**71,858**
Futures	2	-	-	-	-	-	**2**
FRAs	-	-	-	3	45	-	**48**
Interest rate swaps	-	-	-	1,856	14,315	38,027	**54,198**
Interest rate options	-	-	-	122	2,455	11,868	**14,445**
Caps – floors – collars	-	-	-	460	1,419	1,277	**3,156**
Other options	7	2	-	-	-	-	**9**
Currency instruments	**-**	**-**	**-**	**4,217**	**3,053**	**2,934**	**10,204**
Currency futures	-	-	-	3,366	2,047	2,384	**7,797**
Currency options	-	-	-	851	1,006	550	**2,407**
Other instruments	**352**	**451**	**71**	**1,598**	**4,944**	**1,483**	**8,899**
Equity and index derivatives	352	451	71	1,324	4,815	1,113	**8,126**
Precious metal derivatives	-	-	-	43	-	-	**43**
Commodities derivatives	-	-	-	-	-	-	**-**
Credit derivatives	-	-	-	35	99	54	**188**
Others	-	-	-	196	30	316	**542**
Subtotal	**361**	**453**	**71**	**8,256**	**26,231**	**55,589**	**90,961**
Forward currency transactions	-	-	-	8,672	1,110	52	**9,834**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – ASSETS	**361**	**453**	**71**	**16,928**	**27,341**	**55,641**	**100,795**

							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**	**2,431**	**16,344**	**42,584**	**65,713**
Futures	674	1,458	2,207	-	-	-	**4,339**
FRAs	-	-	-	3	-	-	**3**
Interest rate swaps	-	-	-	1,660	12,458	30,457	**44,575**
Interest rate options	-	-	-	309	2,082	10,732	**13,123**
Caps – floors – collars	-	-	-	459	1,804	1,395	**3,658**
Other options	13	2	-	-	-	-	**15**
Currency	**29**	**-**	**-**	**3,997**	**2,479**	**2,692**	**9,197**
Currency futures	29	-	-	2,928	1,596	2,219	**6,772**
Currency options	-	-	-	1,069	883	473	**2,425**
Other instruments	**563**	**245**	**51**	**1,703**	**3,659**	**1,277**	**7,498**
Equity and index derivatives	563	245	51	1,046	3,658	1,240	**6,803**
Precious metal derivatives	-	-	-	30	1	-	**31**
Commodities derivatives	-	-	-	1	-	-	**1**
Credit derivatives	-	-	-	528	-	35	**563**
Other	-	-	-	98	-	2	**100**
Subtotal	**1,279**	**1,705**	**2,258**	**8,131**	**22,482**	**46,553**	**82,408**
Forward currency transactions	-	-	-	10,942	1,156	48	**12,146**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – ASSETS	**1,279**	**1,705**	**2,258**	**19,073**	**23,638**	**46,601**	**94,554**

Refer to the glossary page 647 for the definition of the technical terms.

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**	**-**	**-**	**2,271**	**17,649**	**52,459**	**72,522**
Futures	140	-	-	-	-	-	**140**
FRAs	-	-	-	24	-	-	**24**
Interest rate swaps	-	-	-	1,904	13,788	37,895	**53,587**
Interest rate options	-	-	-	231	2,358	12,696	**15,285**
Caps – floors – collars	-	-	-	112	1,503	1,868	**3,483**
Other options	3	-	-	-	-	-	**3**
Currency instruments	**-**	**-**	**-**	**4,431**	**2,668**	**2,609**	**9,708**
Currency futures	-	-	-	3,500	2,145	2,317	**7,962**
Currency options	-	-	-	931	523	292	**1,746**
Other instruments	**230**	**422**	**102**	**807**	**3,233**	**916**	**5,710**
Equity and index derivatives	230	422	102	355	2,773	802	**4,684**
Precious metal derivatives	-	-	-	30	1	-	**31**
Commodities derivatives	-	-	-	1	-	-	**1**
Credit derivatives	-	-	-	226	406	38	**670**
Others	-	-	-	195	53	76	**324**
Subtotal	**373**	**422**	**102**	**7,509**	**23,550**	**55,984**	**87,940**
Forward currency transactions	-	-	-	8,553	1,704	221	**10,478**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – LIABILITIES	**373**	**422**	**102**	**16,062**	**25,254**	**56,205**	**98,418**

	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**	**2,149**	**15,957**	**43,041**	**65,076**
Futures	732	1,112	2,077	-	-	-	**3,921**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	1,863	12,463	30,319	**44,646**
Interest rate options	-	-	-	132	1,608	10,795	**12,535**
Caps – floors – collars	-	-	-	153	1,886	1,927	**3,965**
Other options	7	1	-	1	-	-	**9**
Currency	**103**	**-**	**-**	**3,481**	**2,171**	**2,270**	**8,023**
Currency futures	103	-	-	2,441	1,862	1,891	**6,295**
Currency options	-	-	-	1,040	309	379	**1,728**
Other instruments	**251**	**518**	**190**	**1,616**	**1,931**	**1,534**	**6,041**
Equity and index derivatives	251	518	190	720	1,849	1,493	**5,021**
Precious metal derivatives	-	-	-	40	-	-	**41**
Commodities derivatives	-	-	-	-	-	-	**-**
Credit derivatives	-	-	-	760	82	41	**883**
Other	-	-	-	96	-	-	**96**
Subtotal	**1,093**	**1,631**	**2,267**	**7,246**	**20,059**	**46,845**	**79,139**
Forward currency transactions	-	-	-	11,531	1,918	14	**13,465**
TOTAL FAIR VALUE OF TRANSACTION DERIVATIVES – LIABILITIES	**1,093**	**1,631**	**2,267**	**18,777**	**21,977**	**46,859**	**92,604**

Refer to the glossary page 647 for the definition of the technical terms.

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	**11,697,571**	**9,932,779**
Futures	155,872	2,630,775
FRAs	2,671,646	2,180
Interest rate swaps	7,306,091	5,912,426
Interest rate options	838,944	719,866
Caps – floors – collars	515,490	470,579
Other options	209,528	196,953
Currency instruments	**498,095**	**578,345**
Currency futures	285,714	288,920
Currency options	212,381	289,425
Other instruments	**159,995**	**127,095**
Equity and index derivatives	104,119	90,220
Precious metal derivatives	3,848	4,433
Commodities derivatives	21	8
Credit derivatives	25,089	29,196
Others	26,918	3,238
Subtotal	**12,355,661**	**10,638,219**
Forward currency transactions	2,055,565	1,878,752
TOTAL NOTIONAL AMOUNT	**14,411,226**	**12,516,971**

3.3 LIQUIDITY AND FINANCING RISK

(See chapter on "Risk management – 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 (including Crédit Agricole internal transactions)	100,183	94,240	160,197	84,376	-	**438,996**
Loans and receivables due from customers (including finance leases)	95,047	44,711	140,161	119,609	4,865	**404,393**
Total	**195,230**	**138,951**	**300,358**	**203,985**	**4,865**	**843,389**
Impairment						**(9,628)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**833,761**

	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 (including Crédit Agricole internal transactions)	97,278	92,938	149,050	74,134	-	**413,400**
Loans and receivables due from customers (including finance leases)	84,774	39,763	134,781	115,915	3,778	**379,011**
Total	**182,052**	**132,701**	**283,831**	**190,049**	**3,778**	**792,411**
Impairment						**(9,974)**
TOTAL LOANS AND RECEIVABLES DUE FROM CREDIT INSTITUTIONS AND FROM CUSTOMERS						**782,437**

Refer to the glossary page 647 for the definition of the technical terms.

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 (including Crédit Agricole internal transactions)	80,562	18,248	30,550	12,681	-	**142,041**
Due to customers	583,850	40,840	17,212	5,012	-	**646,914**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**664,412**	**59,088**	**47,762**	**17,693**	**-**	**788,955**

						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 (including Crédit Agricole internal transactions)	66,961	13,880	37,035	14,084	-	**131,960**
Due to customers	517,118	43,794	30,836	5,422	-	**597,170**
TOTAL AMOUNT DUE TO CREDIT INSTITUTIONS AND TO CUSTOMERS	**584,079**	**57,674**	**67,871**	**19,506**	**-**	**729,130**

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	-	-	-	-	-	**-**
Interbank securities	706	835	6,195	1,553	-	**9,289**
Negotiable debt securities	52,497	30,249	3,495	31	-	**86,272**
Bonds	3,454	4,904	51,156	42,224	-	**101,738**
Other debt securities	592	794	2,322	-	-	**3,708**
TOTAL DEBT SECURITIES	**57,249**	**36,782**	**63,168**	**43,808**	**-**	**201,007**
SUBORDINATED DEBT						
Dated subordinated debt	229	1,205	1,938	17,450	-	**20,822**
Undated subordinated debt	12	1	-	-	734	**747**
Mutual security deposits	-	-	-	-	167	**167**
Participating securities and loans	60	-	-	1	-	**61**
TOTAL SUBORDINATED DEBT	**301**	**1,206**	**1,938**	**17,451**	**901**	**21,797**

						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	54	55	17	-	-	**126**
Interbank securities	329	1,576	6,273	2,128	-	**10,306**
Negotiable debt securities	48,947	25,455	4,150	57	-	**78,609**
Bonds	4,946	5,023	41,565	40,813	-	**92,347**
Other debt securities	887	937	1,258	-	-	**3,082**
TOTAL DEBT SECURITIES	**55,163**	**33,046**	**53,263**	**42,998**	**-**	**184,470**
SUBORDINATED DEBT						
Dated subordinated debt	217	2,147	2,551	15,567	-	**20,482**
Undated subordinated debt	-	-	-	-	2,061	**2,061**
Mutual security deposits	-	-	-	-	161	**161**
Participating securities and loans	60	-	-	1	-	**61**
TOTAL SUBORDINATED DEBT	**277**	**2,147**	**2,551**	**15,568**	**2,222**	**22,765**

Refer to the glossary page 647 for the definition of the technical terms.

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	110	443	-	-	-	**553**

						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	164	103	-	-	-	**267**

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 chapter 3.2 on “Risk management – 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		
(in millions of euros)	Positive	Negative	Notional amount
Fair value hedges	**17,323**	**13,030**	**820,803**
Interest rate	16,877	12,797	779,632
Foreign exchange	446	233	41,171
Others	-	-	-
Cash flow hedges	**2,035**	**230**	**64,832**
Interest rate	1,737	25	27,095
Foreign exchange	262	181	37,613
Others	36	24	124
Hedges of net investments in foreign operations	**11**	**33**	**2,879**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**19,368**	**13,293**	**888,514**

	31/12/2018		
	Market value		
(in millions of euros)	Positive	Negative	Notional amount
Fair value hedges	**12,648**	**11,750**	**783,720**
Interest rate	12,397	11,522	746,100
Foreign exchange	251	228	37,620
Other	-	-	-
Cash flow hedges	**1,665**	**287**	**61,999**
Interest rate	1,541	143	27,724
Foreign exchange	78	79	34,135
Other	46	65	140
Hedges of net investments in foreign operations	**9**	**48**	**4,543**
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**14,322**	**12,085**	**850,262**

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 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 notional
Interest rate instruments	**-**	**-**	**-**	**355,048**	**221,898**	**229,781**	**806,727**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	354,994	220,867	226,530	**802,391**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	54	1,031	3,251	**4,336**
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	**-**	**-**	**-**	**364,830**	**222,949**	**229,781**	**817,560**
Forward currency transactions	-	-	-	68,264	785	1,905	**70,954**
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**-**	**-**	**-**	**433,094**	**223,734**	**231,686**	**888,514**

Refer to the glossary page 647 for the definition of the technical terms.

	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 notional
Interest rate instruments	**-**	**-**	**-**	**273,147**	**255,434**	**245,243**	**773,824**
Futures	-	-	-	-	-	-	**-**
FRAs	-	-	-	-	-	-	**-**
Interest rate swaps	-	-	-	273,043	254,339	242,755	**770,137**
Interest rate options	-	-	-	-	-	-	**-**
Caps – floors – collars	-	-	-	104	1,095	2,488	**3,687**
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	**-**	**-**	**-**	**285,637**	**257,418**	**245,243**	**788,298**
Forward currency transactions	-	-	-	57,193	2,082	2,689	**61,964**
TOTAL NOTIONAL OF HEDGING DERIVATIVES	**-**	**-**	**-**	**342,830**	**259,500**	**247,932**	**850,262**

Note 3.2 "Market risk – Derivative instruments: analysis by remaining maturity" breaks down the market value of hedging derivative instruments by remaining contractual maturity.

Fair value hedge

Hedging derivative instruments

	31/12/2019			
	Carrying amount			
(in millions of euros)	Assets	Liabilities	Changes in fair value during the period (including 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	**6,111**	**4,781**	**1,867**	**279,122**
Interest rate	5,665	4,548	1,722	237,951
Futures	5,665	4,548	1,756	237,950
Options	-	-	(34)	1
Foreign exchange	446	233	145	41,171
Futures	446	233	145	41,171
Options	-	-	-	-
Others	-	-	-	-
Total Fair value micro-hedging	**6,111**	**4,781**	**1,867**	**279,122**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	11,212	8,249	1,910	541,681
TOTAL FAIR VALUE HEDGES	**17,323**	**13,030**	**3,777**	**820,803**

(in millions of euros)	Carrying amount Assets	Carrying amount Liabilities	Changes in fair value during the period (including end of hedges during the period)	Notional Amount
				31/12/2018
Fair value hedges				
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Over-the-counter markets	**3,214**	**4,176**	**709**	**220,690**
Interest rate	2,963	3,948	674	183,070
Futures	2,882	3,948	653	183,069
Options	81	-	21	1
Foreign exchange	251	228	35	37,620
Futures	251	228	35	37,620
Options	-	-	-	-
Other	-	-	-	-
Total Fair value microhedging	**3,214**	**4,176**	**709**	**220,690**
Fair value hedges of the interest rate exposure of a portfolio of financial instruments	9,434	7,574	(568)	563,030
TOTAL FAIR VALUE HEDGES	**12,648**	**11,750**	**141**	**783,720**

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.

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	**26,669**	**66**	**-**	**38**
Interest rate	26,669	66	-	40
Foreign exchange	-	-	-	(2)
Others	-	-	-	-
Debt instruments at amortised cost	**88,997**	**1,316**	**-**	**668**
Interest rate	75,570	1,307	-	755
Foreign exchange	13,427	9	-	(87)
Others	-	-	-	-
Total fair value hedges on assets items	**115,666**	**1,382**	**-**	**706**
Debt instruments at amortised cost	**158,351**	**4,578**	**3**	**2,573**
Interest rate	136,324	4,520	3	2,532
Foreign exchange	22,027	58	-	41
Others	-	-	-	-
Total fair value hedges on liabilities items	**158,351**	**4,578**	**3**	**2,573**

Refer to the glossary page 647 for the definition of the technical terms.

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	**31,064**	**377**	**-**	**(342)**
Interest rate	31,014	377	-	(342)
Foreign exchange	50	-	-	-
Other	-	-	-	-
Debt instruments at amortised cost	**63,327**	**655**	**-**	**148**
Interest rate	47,016	654	-	91
Foreign exchange	16,311	1	-	57
Other	-	-	-	-
Total fair value hedges on assets items	**94,391**	**1,032**	**-**	**(194)**
Debt instruments at amortised cost	**109,027**	**2,012**	**16**	**513**
Interest rate	100,442	1,858	16	398
Foreign exchange	8,585	154	-	115
Other	-	-	-	-
Total fair value hedges on liabilities items	**109,027**	**2,012**	**16**	**513**

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.

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	292,921	59
Total – Assets	**299,345**	**59**
Debt instruments at amortised cost	244,959	24
Total – Liabilities	**244,959**	**24**

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	248,848	94
Total – Assets	**249,007**	**94**
Debt instruments at amortised cost	342,175	373
Total – Liabilities	**342,175**	**373**

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	3,632	(3,652)	(19)
Foreign exchange	145	(131)	13
Others	-	-	-
TOTAL	**3,777**	**(3,783)**	**(6)**

	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	106	(92)	14
Foreign exchange	35	(58)	(23)
Other	-	-	-
TOTAL	**141**	**(150)**	**(9)**

Cash flow hedges and Hedges of net investments in foreign operation (NIH)

Hedging derivative instruments

	31/12/2019			
	Carrying amount		Changes in fair value during the period (including termination of hedges during the period)	Notional amount
(in millions of euros)	Assets	Liabilities		
Cash flow hedges				
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Others	-	-	-	-
Over-the-counter markets	**1,237**	**172**	**79**	**37,605**
Interest rate	952	-	90	7,010
Futures	952	-	90	7,010
Options	-	-	-	-
Foreign exchange	249	148	(11)	30,470
Futures	249	148	(11)	30,470
Options	-	-	-	-
Others	36	24	-	125
Total Cash flow micro-hedging	**1,237**	**172**	**79**	**37,605**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	785	25	163	20,085
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**	**27,227**
TOTAL CASH FLOW HEDGES	**2,035**	**230**	**240**	**64,832**
Hedges of net investments in foreign operations	**11**	**33**	**(13)**	**2,879**

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	Carrying amount – Assets	Carrying amount – Liabilities	Changes in fair value during the period (including termination of hedges during the period)	Notional amount
				31/12/2018
Cash flow hedges				
Exchange-traded	**-**	**-**	**-**	**-**
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Over-the-counter markets	**1,165**	**88**	**(44)**	**32,124**
Interest rate	1,072	-	(55)	7,085
Futures	1,072	-	(55)	7,085
Options	-	-	-	-
Foreign exchange	47	23	11	24,899
Futures	47	23	11	24,899
Options	-	-	-	-
Other	46	65	-	140
Total Cash flow micro-hedging	**1,165**	**88**	**(44)**	**32,124**
Cash flow hedges of the interest rate exposure of a portfolio of financial instruments	469	143	(76)	20,639
Cash flow hedges of the foreign exchange exposure of a portfolio of financial instruments	31	56	(1)	9,236
Total Cash flow macro-hedging	**500**	**199**	**(77)**	**29,875**
TOTAL CASH FLOW HEDGES	**1,665**	**287**	**(122)**	**61,999**
Hedges of net investments in foreign operations	**9**	**48**	**(5)**	**4,543**

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.

Gains (losses) from hedge accounting

(in millions of euros)	Other comprehensive income on items that may be reclassified to profit and loss – Effective portion of the hedge recognised during the period	Other comprehensive income on items that may be reclassified to profit and loss – Amount reclassified from other comprehensive income into profit or loss during the period	Net income (Hedge accounting income or loss) – Hedge ineffectiveness portion
			31/12/2019
Cash flow hedges	**-**	**-**	**-**
Interest rate	258	-	-
Foreign exchange	(6)	-	-
Others	-	-	-
Total Cash flow hedges	**252**	**-**	**-**
Hedges of net investments in foreign operations	**(10)**	**-**	**-**
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**242**	**-**	**-**

	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	(132)	-	-
Foreign exchange	10	-	-
Others	-	-	-
Total Cash flow hedges	**-**	**-**	**-**
Hedges of net investments in foreign operations	**(122)**	**-**	**-**
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**5**	**7**	**-**

3.5 OPERATIONAL RISKS

(See chapter on "Risk management – 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 management" 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	**17,407**	**16,637**
Interbank transactions	1,702	1,664
Crédit Agricole internal transactions	2,877	2,955
Customer transactions	11,429	10,726
Finance leases	610	714
Debt securities	789	578
On financial assets recognised at fair value through other comprehensive income	**5,312**	**5,581**
Interbank transactions	-	-
Customer transactions	-	-
Debt securities	5,312	5,581
Accrued interest receivable on hedging instruments	**2,351**	**2,561**
Other interest income	**37**	**38**
INTEREST AND SIMILAR INCOME[(1)]	**25,107**	**24,817**
On financial liabilities at amortised cost	**(12,706)**	**(12,259)**
Interbank transactions	(1,376)	(1,299)
Crédit Agricole internal transactions	(1,008)	(1,112)
Customer transactions	(6,016)	(5,628)
Finance leases	(68)	(194)
Debt securities	(3,605)	(3,203)
Subordinated debt	(633)	(823)
Accrued interest receivable on hedging instruments	**(872)**	**(939)**
Other interest expenses[(2)]	**(85)**	**(49)**
INTEREST AND SIMILAR EXPENSES	**(13,663)**	**(13,247)**

(1) *Including €136 million in impaired receivables* (Bucket 3) *at 31 December 2019.*

(2) *Including interests based on IFRS 16 renting debts.*

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	261	(43)	218	217	(43)	174
Crédit Agricole internal transactions	803	(477)	326	754	(505)	249
Customer transactions	1,763	(211)	1,552	1,991	(230)	1,761
Securities transactions	49	(99)	(50)	38	(79)	(41)
Foreign exchange transactions	41	(44)	(3)	38	(44)	(7)
Derivative instruments and other off-balance sheet items	342	(249)	93	272	(196)	76
Payment instruments and other banking and financial services	2,506	(3,762)	(1,256)	2,419	(3,550)	(1,132)
Mutual funds management, fiduciary and similar operations	4,792	(1,616)	3,176	4,872	(1,794)	3,078
TOTAL FEES AND COMMISSIONS INCOME AND EXPENSE	**10,556**	**(6,500)**	**4,057**	**10,600**	**(6,441)**	**4,160**

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	1,505	1,085
Unrealised or realised gains (losses) on assets/liabilities held for trading	3,878	(37)
Unrealised or realised gains (losses) on equity instruments at fair value through profit or loss	3,462	(1,372)
Unrealised or realised gains (losses) on debt instruments at fair value through profit or loss	2,860	(974)
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]	(1,771)	(135)
Net gains (losses) on Foreign exchange transactions and similar financial instruments (excluding gains or losses on hedges of net investments in foreign operations)	713	1,701
Gains (losses) from hedge accounting	(6)	(9)
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**17,082**	**(3,093)**

(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	**6,362**	**(6,363)**	**(1)**
Changes in fair value of hedged items attributable to hedged risks	2,283	(4,151)	(1,868)
Changes in fair value of hedging derivatives (including termination of hedges)	4,079	(2,212)	1,867
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	**10,837**	**(10,842)**	**(5)**
Changes in fair value of hedged items	4,401	(6,316)	(1,915)
Changes in fair value of hedging derivatives	6,436	(4,526)	1,910
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	**17,199**	**(17,205)**	**(6)**

			31/12/2018
(in millions of euros)	Gains	Losses	Net
Fair value hedges	**4,002**	**(4,000)**	**2**
Changes in fair value of hedged items attributable to hedged risks	1,574	(2,281)	(707)
Changes in fair value of hedging derivatives (including termination of hedges)	2,428	(1,719)	709
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	**7,130**	**(7,141)**	**(11)**
Changes in fair value of hedged items	3,743	(3,186)	557
Changes in fair value of hedging derivatives	3,387	(3,955)	(568)
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	**11,132**	**(11,141)**	**(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".

Refer to the glossary page 647 for the definition of the technical terms.

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]	47	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]	115	121
NET GAINS (LOSSES) ON FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**162**	**192**

(1) *Excluding realised gains or losses from impaired debt instruments* (Bucket 3) *mentioned in Note 4.9 "Cost of risk".*

(2) *Of which €76 million dividends on equity instruments at fair value through non-recyclable equity derecognised during the period.*

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 Credit 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	(1)	-
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-
Loans and receivables due from customers	(17)	(5)
Losses arising from the derecognition of financial assets at amortised cost	**(18)**	**(5)**
NET GAINS (LOSSES) ARISING FROM THE DERECOGNITION OF FINANCIAL ASSETS AT AMORTISED COST[1]	**(9)**	**-**

(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	(15)	(3)
Other net income from insurance activities[1]	13,800	11,156
Change in insurance technical reserves[2]	(26,163)	(4,975)
Net income from investment property	140	284
Other net income (expense)	100	155
INCOME (EXPENSE) RELATED TO OTHER ACTIVITIES	**(12,139)**	**6,617**

(1) *The €2,644 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 €21,189 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	(7,147)	(7,123)
Taxes other than on income or payroll-related and regulatory contributions[1]	(816)	(792)
External services and other operating expenses	(3,749)	(3,915)
OPERATING EXPENSES	**(11,713)**	**(11,830)**

(1) *Of which €-338 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. companies was as follows in 2019:

Board of Auditors of Crédit Agricole S.A.

	Ernst & Young		PricewaterhouseCoopers		
(in millions of euros excluding taxes)	2019	2018	2019	2018	Total 2019
Independent audit, certification, review of parent company and consolidated financial statements	**16.45**	**16.94**	**14.79**	**14.34**	**31.24**
Issuer	1.90	2.08	1.92	2.12	**3.82**
Fully consolidated subsidiaries	14.55	14.86	12.87	12.22	**27.42**
Non audit services	**5.53**	**5.19**	**6.04**	**5.27**	**11.57**
Issuer	0.46	0.70	0.96	1.08	**1.42**
Fully consolidated subsidiaries	5.07	4.49	5.08	4.19	**10.15**
TOTAL	**21.98**	**22.13**	**20.83**	**19.61**	**42.81**

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 €10.3 million, of which €8.8 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 €9.0 million, of which €7.3 million relates to the certification of the accounts of Crédit Agricole S.A. and its subsidiaries, and €1,7 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 S.A. subsidiaries

	Mazars		KPMG		Deloitte		Autres		
(in millions of euros excluding taxes)	2019	2018	2019	2018	2019	2018	2019	2018	Total 2019
Independent audit, certification, review of parent company and consolidated financial statements	**1.12**	**1.22**	**0.38**	**0.23**	**0.18**	**0.20**	**0.30**	**0.32**	**1.98**
Non audit services[(1)]	**0.06**	**0.13**	**0.01**	**0.01**	**0.01**	**0.01**	**-**	**0.01**	**0.08**
TOTAL	**1.18**	**1.35**	**0.39**	**0.24**	**0.19**	**0.21**	**0.30**	**0.33**	**2.06**

(1) Non audit services identified in this table correspond to assignments performed 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	**(1,047)**	**(760)**
Property, plant and equipment[(1)]	(678)	(396)
Intangible assets	(369)	(364)
Impairment losses (reversals)	**(1)**	**1**
Property, plant and equipment	(1)	-
Intangible assets	-	1
DEPRECIATION, AMORTISATION AND IMPAIRMENT OF PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS	**(1,048)**	**(759)**

(1) Of which €-307 million recognised for depreciation on the right-of-use asset at 31 December 2019.

Refer to the glossary page 647 for the definition of the technical terms.

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)	**216**	**99**
Bucket 1: Loss allowance measured at an amount equal to 12-month expected credit loss	**24**	**(83)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(1)	2
Debt instruments at amortised cost	24	(57)
Commitments by signature	1	(28)
Bucket 2: Loss allowance measured at an amount equal to lifetime expected credit loss	**192**	**182**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(1)	2
Debt instruments at amortised cost	129	122
Commitments by signature	64	58
Charges net of reversals to impairments on credit-impaired assets (Bucket 3)	**(1,326)**	**(1,030)**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	-	-
Debt instruments at amortised cost	(1,195)	(1,120)
Commitments by signature	(131)	90
Others	(164)	-
Risks and expenses	(15)	(88)
Charges net of reversals to impairment losses and provisions	**(1,289)**	**(1,019)**
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	(223)	(197)
Recoveries on loans and receivables written off	345	189
recognised at amortised cost	345	189
recognised in other comprehensive income that may be reclassified to profit or loss	-	-
Discounts on restructured loans	(29)	(28)
Losses on commitments by signature	-	(4)
Other losses	(74)	(36)
Other gains	14	14
COST OF RISK	**(1,256)**	**(1,081)**

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	**51**	**77**
Gains on disposals	59	82
Losses on disposals	(8)	(6)
Consolidated equity investments	**22**	**15**
Gains on disposals	25	15
Losses on disposals	(3)	-
Net income (expense) on combinations	**(19)**	**(3)**
NET GAINS (LOSSES) ON OTHER ASSETS	**54**	**89**

4.11 INCOME TAX CHARGE

Income tax charge

(in millions of euros)	31/12/2019	31/12/2018
Current tax charge	(464)	(1,310)
Deferred tax charge	(43)	(9)
Reclassification of current tax charge (income) related to overlay approach	51	(147)
TOTAL TAX CHARGE	**(456)**	**(1,466)**

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	6,190	34.43%	(2,131)
Impact of permanent differences		(21.87)%	1,354
Impact of different tax rates on foreign subsidiaries		(3.28)%	203
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		(0.10)%	6
Impact of reduced tax rate		(0.99)%	61
Impact of other items		(0.82)%	51
EFFECTIVE TAX RATE AND TAX CHARGE(1)		**7.37%**	**(456)**

(1) Excluding Emporiki tax product (see Note 2.8), the effective tax rate was 24.59% as of 31 December 2019 compared to 23.81% as of 31 December 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	6,155	34.43%	(2,119)
Impact of permanent differences		(3.82)%	235
Impact of different tax rates on foreign subsidiaries		(4.65)%	286
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences		0.53%	(32)
Impact of reduced tax rate		(1.60)%	99
Impact of other items		(1.07)%	66
EFFECTIVE TAX RATE AND TAX CHARGE		**23.81%**	**(1,466)**

The theoretical tax rate is the standard tax rate (including the additional social contribution) on taxable profits in France at 31 December 2018.

Refer to the glossary page 647 for the definition of the technical terms.

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	**301**	**248**
Revaluation adjustment of the period	301	241
Reclassified to profit or loss	-	7
Other changes	-	-
Other comprehensive income on debt instruments that may be reclassified to profit or loss	**1,189**	**(1,225)**
Revaluation adjustment of the period	1,181	(1,153)
Reclassified to profit or loss	(38)	(65)
Other changes	46	(7)
Gains and losses on hedging derivative instruments	**361**	**(138)**
Revaluation adjustment of the period	364	(146)
Reclassified to profit or loss	-	-
Other changes	(3)	8
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	**434**	**(356)**
Revaluation adjustment of the period	445	(291)
Reclassified to profit or loss	-	-
Other changes	(11)	(65)
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**9**	**(11)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**(481)**	**547**
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	**(12)**	**(2)**
Other comprehensive income on items that may be reclassified subsequently to profit or loss of income tax	**1,802**	**(936)**
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	(162)	51
Other comprehensive income on financial liabilities attributable to changes in own credit risk	**(74)**	**383**
Revaluation adjustment of the period	(86)	365
Reclassified to reserves	12	18
Other changes	-	-
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	**53**	**130**
Revaluation adjustment of the period	77	115
Reclassified to reserves	20	60
Other changes	(44)	(45)
Pre-tax other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**(30)**	**1**
Income tax related to items that will not be reclassified to profit or loss excluding equity-accounted entities	**71**	**(259)**
Income tax related to items that will not be reclassified to profit or loss on equity-accounted entities	**8**	**(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	**(131)**	**308**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**1,671**	**(628)**
Of which Group share	1,620	(595)
Of which non-controlling interests	51	(33)

Breakdown of tax impacts related to other comprehensive income

(in millions of euros)	31/12/2018				Changes				31/12/2019			
	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	(244)	(4)	(248)	(158)	301	-	301	275	57	(4)	53	117
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	2,477	(653)	1,824	1,848	1,189	(301)	888	851	3,666	(954)	2,712	2,699
Gains and losses on hedging derivative instruments	487	(143)	344	339	361	(116)	245	243	848	(259)	589	582
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	153	151	304	304	434	(64)	370	370	587	87	674	674
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**2,873**	**(649)**	**2,224**	**2,333**	**2,285**	**(481)**	**1,804**	**1,739**	**5,158**	**(1,130)**	**4,028**	**4,072**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(22)	1	(21)	(16)	9	1	10	9	(13)	2	(11)	(8)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	12	(1)	11	11	(12)	-	(12)	(12)	-	(1)	(1)	(1)
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**2,863**	**(649)**	**2,214**	**2,328**	**2,282**	**(480)**	**1,802**	**1,735**	**5,145**	**(1,129)**	**4,016**	**4,063**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS												
Actuarial gains and losses on post-employment benefits	(701)	166	(535)	(504)	(162)	27	(135)	(120)	(863)	193	(670)	(624)
Other comprehensive income on financial liabilities attributable to changes in own credit risk	(140)	37	(103)	(100)	(74)	20	(54)	(53)	(214)	57	(157)	(153)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	(362)	(69)	(431)	(457)	53	24	77	76	(309)	(45)	(354)	(381)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(1,203)**	**134**	**(1,069)**	**(1,061)**	**(183)**	**71**	**(113)**	**(97)**	**(1,386)**	**205**	**(1,181)**	**(1,158)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	(27)	(15)	(42)	(42)	(30)	8	(21)	(21)	(57)	(7)	(63)	(62)
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	(2)	-	(2)	(2)	3	-	3	3	1	-	1	-
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(1,232)**	**119**	**(1,112)**	**(1,105)**	**(210)**	**79**	**(131)**	**(115)**	**(1,442)**	**198**	**(1,243)**	**(1,220)**
OTHER COMPREHENSIVE INCOME	**1,631**	**(530)**	**1,102**	**1,223**	**2,072**	**(401)**	**1,671**	**1,620**	**3,703**	**(931)**	**2,773**	**2,843**

Refer to the glossary page 647 for the definition of the technical terms.

(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	(493)	(5)	(498)	(387)	(492)	(5)	(497)	(387)	248	1	249	228	(244)	(4)	(248)	(158)
Gains and losses on available-for-sale financial assets	4,493	(960)	3,533	3,500												
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss					3,702	(985)	2,717	2,704	(1,225)	332	(893)	(856)	2,477	(653)	1,824	1,848
Gains and losses on hedging derivative instruments	625	(191)	434	427	625	(191)	434	427	(138)	48	(90)	(88)	487	(143)	344	339
Reclassification of net gains (losses) of designated financial assets applying the overlay approach					509	(15)	494	494	(356)	166	(190)	(190)	153	151	304	304
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**4,625**	**(1,156)**	**3,469**	**3,540**	**4,344**	**(1,196)**	**3,148**	**3,238**	**(1,471)**	**547**	**(924)**	**(906)**	**2,873**	**(649)**	**2,224**	**2,333**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	(25)	(13)	(38)	(36)	(11)	-	(11)	(8)	(11)	1	(10)	(8)	(22)	1	(21)	(16)
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	13	(1)	13	14	15	(1)	14	14	(3)	-	(2)	(2)	12	(1)	11	11
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**4,613**	**(1,170)**	**3,444**	**3,518**	**4,348**	**(1,197)**	**3,151**	**3,244**	**(1,485)**	**548**	**(936)**	**(916)**	**2,863**	**(649)**	**2,214**	**2,328**
OTHER COMPREHENSIVE INCOME ON ITEMS THAT WILL NOT BE RECLASSIFIED SUBSEQUENTLY TO PROFIT OR LOSS																
Actuarial gains and losses on post-employment benefits	(753)	181	(572)	(547)	(752)	178	(574)	(548)	51	(12)	39	44	(701)	166	(535)	(504)
Other comprehensive income on financial liabilities attributable to changes in own credit risk					(523)	175	(348)	(341)	383	(138)	245	241	(140)	37	(103)	(100)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss					(492)	40	(452)	(490)	130	(109)	21	33	(362)	(69)	(431)	(457)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(753)**	**181**	**(572)**	**(547)**	**(1,767)**	**393**	**(1,374)**	**(1,379)**	**564**	**(259)**	**305**	**318**	**(1,203)**	**134**	**(1,069)**	**(1,061)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	(11)	2	(9)	(9)	(28)	(12)	(40)	(40)	1	(3)	(2)	(2)	(27)	(15)	(42)	(42)
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	(9)	-	(9)	(9)	(7)	-	(7)	(7)	5	-	5	5	(2)	-	(2)	(2)
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(773)**	**183**	**(590)**	**(565)**	**(1,802)**	**381**	**(1,421)**	**(1,426)**	**570**	**(262)**	**308**	**321**	**(1,232)**	**119**	**(1,112)**	**(1,105)**
OTHER COMPREHENSIVE INCOME	**3,840**	**(987)**	**2,854**	**2,953**	**2,546**	**(816)**	**1,730**	**1,818**	**(915)**	**286**	**(628)**	**(595)**	**1,631**	**(530)**	**1,102**	**1,223**

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 S.A., 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 S.A.'s business activities were organised into six operating segments:

- the following five business lines:
  - Asset gathering,
  - French Retail banking – LCL,
  - International Retail banking,
  - Specialised financial services,
  - Large customers;
- as well as the "Corporate Centre".

Presentation of business lines

1. 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).

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.

4. 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).

5. 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.

6. 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.

Refer to the glossary page 647 for the definition of the technical terms.

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
(in millions of euros)	Asset gathering	French retail banking – LCL	International retail banking	Specialised financial services	Large customers	Corporate centre	Total
Revenues	6,077	3,457	2,796	2,716	5,603	(497)	**20,152**
Operating expenses	(2,905)	(2,371)	(1,753)	(1,362)	(3,498)	(872)	**(12,761)**
Gross operating income	**3,172**	**1,086**	**1,043**	**1,354**	**2,105**	**(1,369)**	**7,391**
Cost of risk	(19)	(217)	(335)	(497)	(160)	(28)	**(1,256)**
Operating income	**3,153**	**869**	**708**	**857**	**1,945**	**(1,397)**	**6,135**
Share of net income of equity-accounted entities	46	-	-	295	5	6	**352**
Net gains (losses) on other assets	32	2	2	-	6	12	**54**
Change in value of goodwill[1]	-	-	-	-	22	(611)	**(589)**
Pre-tax income	**3,231**	**871**	**710**	**1,152**	**1,978**	**(1,990)**	**5,952**
Income tax charge	(881)	(274)	(199)	(233)	(407)	1,538	**(456)**
Net income from discontinued operations	8	-	(46)	-	-	-	**(38)**
Net income	**2,358**	**597**	**465**	**919**	**1,571**	**(452)**	**5,458**
Non-controlling interests	325	27	132	104	33	(7)	**614**
NET INCOME GROUP SHARE	**2,033**	**570**	**333**	**815**	**1,538**	**(445)**	**4,844**

(1) Goodwill LCL impairment for -€611 million.

							31/12/2019
(in millions of euros)	Asset gathering	French retail banking – LCL	International retail banking	Specialised financial services	Large customers	Corporate centre	Total
SEGMENT ASSETS							
Of which investments in equity-accounted entities	4,277	-	-	2,344	350	261	**7,232**
Of which goodwill	6,908	4,161	1,698	1,128	1,385	-	**15,280**
TOTAL ASSETS	**501,631**	**164,417**	**80,283**	**77,642**	**826,550**	**117,120**	**1,767,643**

				31/12/2018			
(in millions of euros)	Asset gathering	French retail banking – LCL	International retail banking	Specialised financial services	Large customers	Corporate centre	Total
Revenues	5,778	3,433	2,732	2,769	5,368	(344)	**19,736**
Operating expenses	(2,836)	(2,391)	(1,738)	(1,380)	(3,339)	(905)	**(12,589)**
Gross operating income	**2,942**	**1,042**	**994**	**1,389**	**2,029**	**(1,249)**	**7,147**
Cost of risk	(17)	(220)	(358)	(467)	64	(83)	**(1,081)**
Operating income	**2,925**	**822**	**636**	**922**	**2,093**	**(1,332)**	**6,066**
Share of net income of equity-accounted entities	47	-	-	187	-	21	**255**
Net gains (losses) on other assets	(3)	50	14	1	14	13	**89**
Change in value of goodwill	-	-	-	-	-	86	**86**
Pre-tax income	**2,969**	**872**	**650**	**1,110**	**2,107**	**(1,212)**	**6,496**
Income tax charge	(774)	(288)	(185)	(244)	(550)	575	**(1,466)**
Net income from discontinued operations	(2)	(1)	-	-	-	-	**(3)**
Net income	**2,193**	**583**	**465**	**866**	**1,557**	**(637)**	**5,027**
Non-controlling interests	285	26	124	128	29	35	**627**
NET INCOME GROUP SHARE	**1,908**	**557**	**341**	**738**	**1,528**	**(672)**	**4,400**

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			
(in millions of euros)	Asset gathering	French retail banking – LCL	International retail banking	Specialised financial services	Large customers	Corporate centre	Total
SEGMENT ASSETS							
Of which investments in equity-accounted entities	4,048	-	-	2,135	-	185	**6,368**
Of which goodwill	6,864	4,772	1,693	1,025	1,137	-	**15,491**
TOTAL ASSETS	**445,766**	**148,102**	**79,231**	**71,402**	**772,463**	**107,430**	**1,624,394**

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)	2,425	10,688	1,409,567	9,470	1,886	10,436	1,303,129	9,945
Italy	703	3,158	97,737	2,082	597	3,167	88,934	1,974
Other European Union countries	791	3,023	88,412	2,465	799	2,989	77,701	2,351
Other European countries	152	725	20,550	704	135	741	18,809	682
North America	210	1,146	61,570	472	489	1,093	56,023	461
Central and South America	15	50	641	-	20	46	988	-
Africa and Middle East	158	490	9,348	38	149	450	9,861	33
Asia-Pacific (ex. Japan)	285	561	26,693	27	207	502	22,441	24
Japan	105	311	53,125	22	118	312	46,508	21
TOTAL	**4,844**	**20,152**	**1,767,643**	**15,280**	**4,400**	**19,736**	**1,624,394**	**15,491**

Refer to the glossary page 647 for the definition of the technical terms.

5.3 INSURANCE SPECIFICITIES

(See chapter on "Risk factors – Insurance sector risks" on managing this sector risk.)

Gross income from insurance activities

(in millions of euros)	31/12/2019			31/12/2018		
	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	36,967	-	36,967	33,534	-	33,534
Change in unearned premiums	(225)	-	(225)	(210)	-	(210)
Earned premiums	**36,742**	**-**	**36,742**	**33,324**	**-**	**33,324**
Other operating income	**(124)**	**-**	**(124)**	**252**	**-**	**252**
Investment income	7,737	(4)	7,733	7,509	(3)	7,506
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	(6,702)	1,828	(4,874)
Change in impairment on investments	(39)	(112)	(151)	(8)	(49)	(57)
Investment income net of expenses	**19,718**	**(4,053)**	**15,666**	**471**	**2,157**	**2,628**
Claims expenses[(1)]	**(49,154)**	**3,608**	**(45,546)**	**(27,685)**	**(1,866)**	**(29,551)**
Revenue from reinsurance operations	693	-	693	518	-	518
Expenses from reinsurance operations	(736)	-	(736)	(608)	-	(608)
Net reinsurance income (expense)	**(43)**	**-**	**(43)**	**(90)**	**-**	**(90)**
Contract acquisition costs	(2,021)	-	(2,021)	(2,054)	-	(2,054)
Amortisation of investment securities and similar	-	-	-	-	-	-
Administration costs	(2,163)	-	(2,163)	(1,970)	-	(1,970)
Other current operating income (expense)	(416)	-	(416)	(353)	-	(353)
Other operating income (expense)	7	-	7	(3)	-	(3)
Operating income	**2,547**	**(445)**	**2,102**	**1,892**	**291**	**2,182**
Financing expenses	(238)	-	(238)	(429)	-	(429)
Share of net income of associates	-	-	-	-	-	-
Income tax charge	(591)	51	(540)	(307)	(147)	(454)
Net income from discontinued or held-for-sale operations	8	-	8	(1)	-	(1)
Consolidated net income	**1,726**	**(394)**	**1,332**	**1,154**	**144**	**1,298**
Non-controlling interests	**3**	**-**	**3**	**12**	**-**	**12**
NET INCOME GROUP SHARE	**1,723**	**(394)**	**1,329**	**1,142**	**144**	**1,286**

(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	**173,352**	**142,954**
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	**172,576**	**142,494**
Equity instruments	33,178	25,414
Equities and other variable income securities	9,774	8,730
Non-consolidated equity investments	4,501	(328)
Designated financial assets applying the overlay approach	18,903	17,012
Debt instruments that do not meet the conditions of the “SPPI” test	70,263	57,437
Loans and receivables	718	296
Debt securities	69,545	57,141
Treasury bills and similar securities	171	153
Bonds and other fixed income securities	4,781	4,973
Mutual funds	44,078	34,277
Designated financial assets applying the overlay approach	20,515	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	**227,570**	**214,284**
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**227,393**	**214,109**
Debt securities	227,393	214,109
Treasury bills and similar securities	68,474	61,593
Bonds and other fixed income securities	158,919	152,516
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**177**	**175**
Equities and other variable income securities	-	-
Non-consolidated equity investments	177	175
Financial assets at amortised cost	**4,772**	**5,867**
Loans and receivables	3,815	5,530
Debt securities	957	337
Treasury bills and similar securities	76	-
Bonds and other fixed income securities	881	337
Impairment	-	-
Investment property	**6,410**	**6,280**
Investments in associates and joint venture	**4,002**	**3,785**
TOTAL INSURANCE COMPANY INVESTMENTS	**417,035**	**374,242**

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.

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	31/12/2019 Carrying amount	31/12/2019 Unrealised gains	31/12/2019 Unrealised losses	31/12/2018 Carrying amount	31/12/2018 Unrealised gains	31/12/2018 Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	**227,393**	**20,456**	**(128)**	**214,109**	**14,615**	**(743)**
Debt securities	227,393	20,456	(128)	214,109	14,615	(743)
Treasury bills and similar securities	68,474	7,560	(69)	61,593	4,412	(171)
Bonds and other fixed income securities	158,919	12,896	(59)	152,516	10,203	(572)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**177**	**-**	**(23)**	**175**	**3**	**(21)**
Equities and other variable income securities	-	-	-	-	-	-
Non-consolidated equity investments	177	-	(23)	175	3	(21)
Total of financial assets at fair value through other comprehensive income	**227,570**	**20,456**	**(151)**	**214,284**	**14,618**	**(764)**
Income tax charge		(5,354)	39		(3,839)	198
OTHER COMPREHENSIVE INCOME ON FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (NET OF INCOME TAX)		**15,102**	**(112)**		**10,779**	**(566)**

Reclassification between net income and other comprehensive income for financial assets designated under the overlay approach

(in millions of euros)	31/12/2019 Amount reported for the designated financial assets applying IFRS 9	31/12/2019 Amount that would have been reported for the designated financial assets applying IAS 39	31/12/2019 Amount reclassified in other comprehensive income applying the overlay approach	31/12/2018 Amount reported for the designated financial assets applying IFRS 9	31/12/2018 Amount that would have been reported for the designated financial assets applying IAS 39	31/12/2018 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

(in millions of euros)	31/12/2019 Assets	31/12/2019 Liabilities	31/12/2018 Assets	31/12/2018 Liabilities
Cash	1,656		1,581	
Central banks	91,423	1,896	65,395	949
CARRYING AMOUNT	**93,079**	**1,896**	**66,976**	**949**

Refer to the glossary page 647 for the definition of the technical terms.

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	230,721	225,605
Other financial instruments at fair value through profit or loss	168,756	139,870
Equity instruments	36,293	28,351
Debt instruments that do not meet the conditions of the "SPPI" test	72,942	60,131
Assets backing unit-linked contracts	59,520	51,386
Financial assets designated at fair value through profit or loss	1	2
CARRYING AMOUNT	**399,477**	**365,475**
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	**18,380**	**19,295**
Treasury bills and similar securities	13,665	14,219
Bonds and other fixed income securities	4,607	5,043
Mutual funds	108	33
Total financial assets	**104,645**	**108,979**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	61	191
Loans and receivables due from customers	894	1,374
Securities bought under repurchase agreements	103,690	107,414
Pledged securities	-	-
Derivative instruments	**100,795**	**94,554**
CARRYING AMOUNT	**230,721**	**225,605**

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	24,753	19,315
Non-consolidated equity investments	11,540	9,036
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**36,293**	**28,351**

Debt instruments not meeting the SPPI criteria

(in millions of euros)	31/12/2019	31/12/2018
Debt securities	**68,733**	**57,128**
Treasury bills and similar securities	252	156
Bonds and other fixed income securities	13,152	11,637
Mutual funds	55,329	45,335
Total financial assets	**4,209**	**3,003**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-
Loans and receivables due from customers	4,209	3,003
Securities bought under repurchase agreements	-	-
Pledged securities	-	-
TOTAL DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE "SPPI" TEST	**72,942**	**60,131**

Financial assets designated at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Total financial assets	**-**	**-**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-
Loans and receivables due from customers	-	-
Debt securities	**1**	**2**
Treasury bills and similar securities	-	-
Bonds and other fixed income securities	1	2
TOTAL FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH PROFIT OR LOSS	**1**	**2**

Financial liabilities at fair value through profit or loss

(in millions of euros)	31/12/2019	31/12/2018
Held for trading financial liabilities	206,708	193,956
Financial liabilities designated at fair value through profit or loss	39,961	34,155
CARRYING AMOUNT	**246,669**	**228,111**

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	74,763	75,917
Debt securities	55	2
Derivative instruments	98,418	92,603
CARRYING AMOUNT	**206,708**	**193,956**

Refer to the glossary page 647 for the definition of the technical terms.

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	**25,942**	**(110)**	**214**	**86**	**(11)**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**
TOTAL	**29,935**	**(110)**	**214**	**86**	**(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	**27,596**	**398**	**140**	**(365)**	**(18)**
Other financial liabilities	**-**	**-**	**-**	**-**	**-**
TOTAL	**27,596**	**398**	**140**	**(365)**	**(18)**

(1) The amount realised upon derecognition is transferred to consolidated reserves.

Pursuant to IFRS 9, Crédit Agricole S.A. 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.A., 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)

Crédit Agricole S.A. 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 issuer spread are recognised in net income

	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
Deposits and subordinated liabilities	**10,026**	**152**	**-**	**-**
Deposits	10,026	152	-	-
Subordinated liabilities	-	-	-	-
Debt securities	-	-	-	-
Other financial liabilities	-	-	-	-
TOTAL	**10,026**	**152**	**-**	**-**

(in millions of euros)	31/12/2018 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
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	258,803	20,348	(290)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	2,518	617	(938)
TOTAL	**261,321**	**20,965**	**(1,228)**

	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	250,202	14,554	(1,077)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	3,418	619	(985)
TOTAL	**253,620**	**15,173**	**(2,062)**

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	82,684	7,806	(151)
Bonds and other fixed income securities	176,119	12,542	(140)
Total Debt securities	**258,803**	**20,348**	**(291)**
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	**258,803**	**20,348**	**(290)**
Income tax charge		(5,341)	81
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**15,007**	**(209)**

Refer to the glossary page 647 for the definition of the technical terms.

(in millions of euros)	31/12/2018 Carrying amount	Unrealised gains	Unrealised losses
Treasury bills and similar securities	75,753	4,658	(372)
Bonds and other fixed income securities	174,449	9,896	(705)
Total Debt securities	**250,202**	**14,554**	**(1,077)**
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	**250,202**	**14,554**	**(1,077)**
Income tax charge		(3,845)	290
OTHER COMPREHENSIVE INCOME ON DEBT INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**10,709**	**(787)**

Equity instruments recognised at fair value through other comprehensive income that cannot be reclassified

Other comprehensive income on equity instruments that cannot be reclassified

(in millions of euros)	31/12/2019 Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	802	29	(33)
Non-consolidated equity investments	1,716	588	(905)
Total equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**2,518**	**617**	**(938)**
Income tax charge		(65)	19
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**552**	**(919)**

(in millions of euros)	31/12/2018 Carrying amount	Unrealised gains	Unrealised losses
Equities and other variable income securities	283	24	(46)
Non-consolidated equity investments	3,135	595	(939)
Total equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	**3,418**	**619**	**(985)**
Income tax charge		(88)	16
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)		**531**	**(969)**

Equity instruments derecognised during the period

(in millions of euros)	31/12/2019 Fair value at the date of derecognition	Cumulative gains realised(1)	Cumulative losses realised(1)
Equities and other variable income securities	(1)	-	(4)
Non-consolidated equity investments	1,058	47	(65)
Total investments in equity instruments	**1,057**	**47**	**(69)**
Income tax charge		-	-
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)(1)		**47**	**(69)**

(1) Realised gains and losses are 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	31	5	(5)
Non-consolidated equity investments	234	14	(74)
Total Investments in equity instruments	**265**	**19**	**(79)**
Income tax charge		-	12
OTHER COMPREHENSIVE INCOME ON EQUITY INSTRUMENTS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (NET OF INCOME TAX)(1)		**19**	**(67)**

(1) Realised gains and losses are 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	438,580	412,981
Loans and receivables due from customers	395,181	369,456
Debt securities	72,519	57,764
CARRYING AMOUNT	**906,280**	**840,201**

Loans and receivables due from credit institutions

(in millions of euros)	31/12/2019	31/12/2018
CREDIT INSTITUTIONS		
Total financial assets	98,434	94,457
of which non doubtful current accounts in debit(1)	7,002	6,548
of which non doubtful overnight accounts and advances(1)	22,484	25,369
Pledged securities	1	1
Securities bought under repurchase agreements	5,358	5,225
Subordinated loans	538	516
Other loans and receivables	133	103
Gross amount	**104,464**	**100,302**
Impairment	(416)	(419)
Net value of loans and receivables due from credit institutions	**104,048**	**99,883**
CRÉDIT AGRICOLE INTERNAL TRANSACTIONS		
Current accounts	1,294	1,944
Securities bought under repurchase agreements	1,343	1,746
Term deposits and advances	331,504	309,037
Subordinated loans	392	371
Total Crédit Agricole internal transactions	**334,533**	**313,098**
CARRYING AMOUNT	**438,580**	**412,981**

(1) These transactions are partly comprised of the item "Net demand loans and deposits with credit institutions" on the Cash Flow Statement.

Refer to the glossary page 647 for the definition of the technical terms.

Loans and receivables due from customers

(in millions of euros)	31/12/2019	31/12/2018
LOANS AND RECEIVABLES DUE FROM CUSTOMERS		
Trade receivables	27,824	31,510
Other customer loans	340,041	313,894
Pledged securities	232	131
Securities bought under repurchase agreements	4,071	2,976
Subordinated loans	45	104
Insurance receivables	314	655
Reinsurance receivables	770	634
Advances in associates' current accounts	143	144
Current accounts in debit	14,670	13,249
Gross amount	**388,110**	**363,297**
Impairment	(8,813)	(9,168)
Net value of loans and receivables due from customers	**379,297**	**354,129**
FINANCE LEASES		
Property leasing	5,512	5,544
Equipment leases, operating leases and similar transactions	10,772	10,170
Gross amount	**16,284**	**15,714**
Impairment	(400)	(387)
Net value of lease financing operations	**15,884**	**15,327**
CARRYING AMOUNT	**395,181**	**369,456**

Debt securities

(in millions of euros)	31/12/2019	31/12/2018
Treasury bills and similar securities	23,590	23,222
Bonds and other fixed income securities	48,983	34,574
Total	**72,573**	**57,796**
Impairment	(53)	(32)
CARRYING AMOUNT	**72,519**	**57,764**

Refer to the glossary page 647 for the definition of the technical terms.

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				
(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
Total financial assets	-	-	-	-	-
Other financial instruments at fair value through profit or loss	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Total financial assets	-	-	-	-	-
Financial assets at fair value through other comprehensive income	**24,802**	**-**	**24,502**	**300**	**24,437**
Equity instruments	-	-	-	-	-
Debt securities	24,802	-	24,502	300	24,437
Total financial assets	-	-	-	-	-
Financial assets at amortised cost	**14,620**	**13,261**	**1,271**	**88**	**14,620**
Debt securities	1,359	-	1,271	88	1,359
Total financial assets	13,261	13,261	-	-	13,261
Total financial assets	**53,561**	**13,261**	**39,912**	**388**	**53,196**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**53,561**	**13,261**	**39,912**	**388**	**53,196**

(1) Including securities lending without cash collateral.

(2) When the "counterparty" (counterparties) to the associated liabilities has (have) recourse only to the transferred assets".

Refer to the glossary page 647 for the definition of the technical terms.

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	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
24,458	-	24,458	-	24,458	(21)	-	-	-
-	-	-	-	-	-	-	-	-
24,458	-	24,458	-	24,458	(21)	-	-	-
-	-	-	-	-	-	-	-	-
12,547	11,322	1,225	-	12,547	2,073	-	-	-
1,225	-	1,225	-	1,225	134	-	-	-
11,322	11,322	-	-	11,322	1,939	-	-	-
50,336	**11,322**	**39,014**	**-**	**50,336**	**2,860**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
50,336	**11,322**	**39,014**	**-**	**50,336**	**2,860**	**-**	**-**	**-**

Transferred assets not derecognised in full at 31 December 2018

	Transferred assets but still fully recognised				
	Transferred assets				
(in millions of euros)	Carrying amount	Of which securitisation (non-deconsolidating)	Of which securities sold/ bought under repurchase agreements	Of which other	Fair value
Financial assets held for trading	**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	**21,435**	**6**	**20,501**	**929**	**21,274**
Equity instruments	-	-	-	-	-
Debt securities	21,435	6	20,501	929	21,274
Loans and receivables	-	-	-	-	-
Financial assets at amortised cost	**14,094**	**11,886**	**1,572**	**636**	**14,094**
Debt securities	2,208	-	1,572	636	2,208
Loans and receivables	11,886	11,886	-	-	11,886
Loans and receivables	**46,017**	**11,891**	**32,561**	**1,565**	**45,856**
Finance leases	**-**	**-**	**-**	**-**	**-**
TOTAL TRANSFERRED ASSETS	**46,017**	**11,891**	**32,561**	**1,565**	**45,856**

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 16 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 S.A. 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.

CA Italia Securitisations

At 31 December 2019, Cariparma 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 S.A. consolidated financial statements.

The carrying amounts of the relevant assets amounted to €12,072 million at 31 December 2019.

Refer to the glossary page 647 for the definition of the technical terms.

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	Fair value	Net fair value	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	-	-	-
-	-	-	-	-	-	-	-	-
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
20,435	**-**	**20,435**	**-**	**20,335**	**939**	**-**	**-**	**-**
-	-	-	-	-	-	-	-	-
20,435	-	20,435	-	20,335	939	-	-	-
-	-	-	-	-	-	-	-	-
10,908	**9,356**	**1,552**	**-**	**10,908**	**3,186**	**-**	**-**	**-**
1,552	-	1,552	-	1,552	656	-	-	-
9,356	9,356	-	-	9,356	2,530	-	-	-
41,481	**9,356**	**32,125**	**-**	**41,380**	**4,476**	**-**	**-**	**-**
-	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
41,481	**9,356**	**32,125**	**-**	**41,380**	**4,476**	**-**	**-**	**-**

6.7 EXPOSURE TO SOVEREIGN RISK

The scope of sovereign exposures recorded covers exposures to Governments, but does not include local authorities. Tax debt 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.

The Group's exposure to sovereign risk is as follows:

Banking activity

31/12/2019	Exposures Banking activity net of impairment						
	Other financial instruments 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	-	-	-	899	899	-	**899**
Austria	68	4	-	16	88	(1)	87
Belgium	-	-	2,412	671	3,083	(206)	**2,877**
Brazil	57	-	77	191	325	-	**325**
Egypt	2	8	804	-	814	-	**814**
China	12	-	36	-	48	-	**48**
Spain	-	7	1,290	612	1,909	(2)	**1,907**
United States	4,083	-	205	2,858	7,146	(21)	**7,125**
France	41	195	4,724	10,559	15,519	(1,015)	**14,504**
Greece	-	-	-	-	-	-	**-**
Hong Kong	46	-	-	890	936	-	**936**
Iran	-	-	-	-	-	-	**-**
Ireland	1	6	-	-	7	-	**7**
Italy	24	96	2,821	4,921	7,862	(452)	**7,410**
Japan	-	-	-	889	889	8	**897**
Lithuania	-	-	-	-	-	-	**-**
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	31	699	4,783	6,506	(345)	**6,161**
TOTAL	**5,410**	**354**	**14,103**	**27,721**	**47,588**	**(2,034)**	**45,554**

Refer to the glossary page 647 for the definition of the technical terms.

31/12/2018							Exposures Banking activity net of impairment
	Other financial instruments 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	-	-	-	15	15	-	**15**
Belgium	50	-	2,395	1,007	3,452	(129)	**3,323**
Brazil	381	-	-	211	592	-	**592**
China	6	-	-	19	25	-	**25**
Spain	-	-	332	52	384	-	**384**
United States	1,578	-	152	1,610	3,340	1	**3,341**
France	3	45	5,840	11,582	17,470	(611)	**16,859**
Greece	-	-	-	-	-	-	**-**
Hong Kong	71	-	-	978	1,049	-	**1,049**
Iran	-	-	-	-	-	-	**-**
Ireland	-	-	-	-	-	-	**-**
Italy	519	-	3,013	4,985	8,517	(183)	**8,334**
Japan	23	-	-	1,948	1,971	-	**1,971**
Lithuania	-	-	-	-	-	-	**-**
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 countries	889	9	1,647	2,438	4,983	(6)	**4,977**
TOTAL	**3,532**	**54**	**14,154**	**25,818**	**43,558**	**(928)**	**42,630**

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	3,036	3,667
Belgium	3,299	2,859
Brazil	-	-
China	-	-
Egypt	-	-
Spain	1,318	1,148
United States	131	39
France	52,216	47,510
Greece	4	-
Hong Kong	-	-
Iran	-	-
Ireland	725	759
Italy	7,602	6,042
Japan	97	39
Lithuania	-	-
Morocco		-
Poland	363	349
United Kingdom	15	4
Russia	-	-
Syria	-	-
Turkey	2	-
Ukraine	-	-
Venezuela	1	-
Yemen	-	-
Other sovereign countries	2,219	1,977
TOTAL EXPOSURES	**71,035**	**64,393**

6.8 FINANCIAL LIABILITIES AT AMORTISED COST

(in millions of euros)	31/12/2019	31/12/2018
Due to credit institutions	142,041	131,960
Due to customers	646,914	597,170
Debt securities	201,007	184,470
CARRYING AMOUNT	**989,962**	**913,600**

Due to credit institutions

(in millions of euros)	31/12/2019	31/12/2018
CREDIT INSTITUTIONS		
Accounts and borrowings	74,133	75,531
of which current accounts in credit[1]	10,137	12,817
of which overnight accounts and deposits[1]	2,359	1,678
Pledged securities	-	-
Securities sold under repurchase agreements	27,169	22,131
Total	**101,302**	**97,662**
CRÉDIT AGRICOLE INTERNAL TRANSACTIONS		
Current accounts in credit[1]	18,794	11,223
Term deposits and advances	20,876	21,478
Securities sold under repurchase agreements	1,069	1,597
Total	**40,739**	**34,298**
CARRYING AMOUNT	**142,041**	**131,960**

(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	228,339	203,495
Special savings accounts	302,424	288,414
Other amounts due to customers	112,020	101,775
Securities sold under repurchase agreements	1,569	840
Insurance liabilities	940	1,260
Reinsurance liabilities	467	334
Cash deposits received from ceding and retroceding companies against technical insurance commitments	1,155	1,052
CARRYING AMOUNT	**646,914**	**597,170**

Debt instruments

(in millions of euros)	31/12/2019	31/12/2018
Interest bearing notes	-	126
Interbank securities	9,289	10,306
Negotiable debt securities	86,272	78,610
Bonds[1]	101,738	92,347
Other debt securities	3,708	3,081
CARRYING AMOUNT	**201,007**	**184,470**

(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 S.A. insurance companies were eliminated for euro contracts. They were eliminated for the portion backing unit-linked contracts with financial risk borne by the policyholder.

Refer to the glossary page 647 for the definition of the technical terms.

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 instrument *(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)	120,534	21	120,513	104,711	15,533	269
Reverse repurchase agreements	177,596	62,900	114,696	10,756	103,279	661
Securities lent	2,817	-	2,817	-	-	2,817
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**300,947**	**62,921**	**238,026**	**115,467**	**118,812**	**3,747**

(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 instrument *(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)	167,617	57,578	110,039	80,604	17,018	12,417
Reverse repurchase agreements	169,727	52,233	117,493	8,609	104,480	4,404
Securities lent	5,669	-	5,669	-	-	5,669
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**343,013**	**109,811**	**233,201**	**89,213**	**121,499**	**22,490**

(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 assets covered by master netting agreements and similar agreements					
				Other amounts that can be offset under given conditions		
Type of financial instrument *(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]	111,711	-	111,711	103,048	6,819	1,844
Repurchase agreements	167,552	62,900	104,652	10,756	89,108	4,788
Securities borrowed	6,060	-	6,060	-	-	6,060
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**285,323**	**62,900**	**222,423**	**113,804**	**95,927**	**12,692**

(1) *Including margin calls but before any XVA impact.*

(2) *The net amount of financial liabilities shown in the summary statements is equal to the amount shown on the balance sheet as liabilities.*

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 instrument *(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]	163,263	57,544	105,719	80,641	24,421	657
Repurchase agreements	152,745	52,233	100,512	8,609	85,682	6,221
Securities borrowed	5,977	-	5,977	-	-	5,977
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**321,987**	**109,778**	**212,209**	**89,249**	**110,104**	**12,856**

(1) *Including margin calls but before any XVA impact.*

(2) *The net amount of financial liabilities shown in the summary statements is equal to the amount shown on the balance sheet as liabilities.*

Refer to the glossary page 647 for the definition of the technical terms.

6.10 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

(in millions of euros)	31/12/2019	31/12/2018
Current tax[1]	1,233	1,350
Deferred tax	3,067	3,130
TOTAL CURRENT AND DEFERRED TAX ASSETS	**4,300**	**4,480**
Current tax[2]	1,626	692
Deferred tax	2,140	1,684
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**3,766**	**2,376**

(1) *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 2018, as part of the Emporiki tax litigation, was reimbursed without impact on the income statement.*

(2) *Variation of this item includes reclassification of uncertain tax positions following IFRIC 23 application.*

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	**2,208**	**2,179**
Non-deductible accrued expenses	339	329
Non-deductible provisions for liabilities and charges	2,163	2,066
Other temporary differences[1]	(294)	(216)
Deferred tax on reserves for unrealised gains or losses	**(662)**	**(308)**
Financial assets at fair value through other comprehensive income	(551)	(316)
Cash flow hedges	(388)	(286)
Gains and losses/Actuarial differences	115	103
Other comprehensive income attributable to changes in own credit risk	71	56
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	91	135
Deferred tax on income and reserves	**(619)**	**(425)**
of which Reclassification of net gains (losses) of designated financial assets applying the overlay approach	(91)	(135)
TOTAL DEFERRED TAX	**927**	**1,446**

(1) The portion of deferred tax related to tax loss carryforwards is €380 million for 2019.

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 S.A. 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	**31,789**	**30,966**
Inventory accounts and miscellaneous	195	144
Sundry debtors[1]	27,608	26,533
Settlements accounts	1,531	2,126
Due from shareholders – unpaid capital	29	-
Other insurance assets	329	344
Reinsurer's share of technical reserves	2,097	1,819
Accruals and deferred income	**6,560**	**7,047**
Items in course of transmission	2,355	2,324
Adjustment and suspense accounts	230	673
Accrued income	2,623	2,592
Prepaid expenses	525	514
Other accruals prepayments and sundry assets	827	945
CARRYING AMOUNT	**38,349**	**38,013**

(1) Including €49 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit at 31 December 2018. 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]	**36,426**	**30,705**
Settlements accounts	2,504	2,654
Sundry creditors	32,254	27,798
Liabilities related to trading securities	230	231
Lease liabilities[3]	1,407	-
Other insurance liabilities	31	22
Accruals and deferred income	**12,859**	**11,603**
Items in course of transmission[2]	3,473	3,271
Adjustment and suspense accounts	1,609	845
Unearned income	1,317	1,309
Accrued expenses	5,492	5,639
Other accrual prepayments and sundry liabilities	968	540
CARRYING AMOUNT	**49,285**	**42,309**

(1) The amounts shown include related debts.

(2) See Note 1.1 "Applicable standards and comparability – IFRS 16 Leases".

(3) Net amounts are shown.

Refer to the glossary page 647 for the definition of the technical terms.

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 €2,845 million (€2,204 million at 31 December 2018);
- the equity-accounted value of associates totalled €4,387 million (€4,164 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		792	-	34	62	1,088
Net carrying amount of investments in equity-accounted entities (joint ventures)		**2,845**			**294**	**3,016**
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.	22.8%	131	-	-	9	131
SBI Funds Management Private Limited	25.3%	103	-	5	24	76
Others		404			67	184
Net carrying amount of investments in equity-accounted entities (Associates)		**4,387**			**313**	**3,253**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**7,232**			**607**	**6,269**

(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.

						31/12/2018
(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 S.P.A	50.0%	1,672	-	-	133	1,427
Others		532	-	10	63	738
Net carrying amount of investments in equity-accounted entities (Joint ventures)		**2,204**			**196**	**2,165**
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 Defense[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	22.8%	121	-	-	20	121
Frey	19.2%	114	100	2	14	112
Others		482			82	174
Net carrying amount of investments in equity-accounted entities (Associates)		**4,164**			**285**	**3,037**
NET CARRYING AMOUNT OF INVESTMENTS IN EQUITY-ACCOUNTED ENTITIES		**6,368**			**481**	**5,202**

(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 -€46m 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.

Refer to the glossary page 647 for the definition of the technical terms.

The market value shown in the table above is the quoted price of the shares on the market at 31 December 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:

	31/12/2019			
(in millions of euros)	Revenues	Net income	Total assets	Total Equity
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[(1)]	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

(1) SCI Heart of La Défense entered the scope of consolidation under the equity method in 2018.

	31/12/2018			
(in millions of euros)	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	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 S.A. has 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 S.A.

Legal constraints

The subsidiaries of Crédit Agricole S.A. 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 S.A. 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	6,492	-	555	(388)	-	14	6,673
Depreciation and impairment	(84)	-	(4)	7	-	(16)	(97)
CARRYING AMOUNT[(1)]	**6,408**	**-**	**551**	**(381)**	**-**	**(2)**	**6,576**

(1) Including investment property let to third parties.

(in millions of euros)	01/01/2018	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjustments	Other movements	31/12/2018
Gross amount	6,283	153	518	(558)	-	96	6,492
Depreciation and impairment	(87)	-	(3)	18	-	(12)	(84)
CARRYING AMOUNT[(1)]	**6,196**	**153**	**515**	**(540)**	**-**	**84**	**6,408**

(1) Including investment property let to third parties.

Fair value of investment properties

The market value of investment property recorded at cost, as valued by “expert appraisers”, was €9,784 million at 31 December 2019 compared to €9,314 million at 31 December 2018.

(in millions of euros)		31/12/2019	31/12/2018
Quoted prices in active markets for identical instruments	Level 1	-	-
Valuation based on observable data	Level 2	9,639	9,215
Valuation based on unobservable data	Level 3	145	99
MARKET VALUE OF INVESTMENT PROPERTIES		**9,784**	**9,314**

All investment property are recognised at cost in the balance sheet.

Refer to the glossary page 647 for the definition of the technical terms.

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 is 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	8,466	9,968	(190)	769	(575)	56	221	10,249
Depreciation and impairment	(4,397)	(4,451)	129	(707)	461	(25)	(58)	(4,651)
CARRYING AMOUNT	**4,069**	**5,517**	**(61)**	**62**	**(114)**	**31**	**163**	**5,598**
INTANGIBLE ASSETS								
Gross amount	6,985	6,926	697	586	(411)	11	(1)	7,808
Depreciation and impairment	(4,698)	(4,644)	80	(442)	390	(6)	(23)	(4,645)
CARRYING AMOUNT	**2,287**	**2,282**	**777**	**144**	**(21)**	**5**	**(24)**	**3,163**

(1) Right of use impact recognised in First Time Application of the IFRS 16 standard (cf. Note 1.1 "Applicable standards and comparability").

(2) Essentially related to the entries of Agos S.p.A and Santander Securities Services 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	8,400	8,400	5	331	(271)	29	(28)	8,466
Amortisation and impairment[1]	(4,190)	(4,190)	(6)	(398)	187	(14)	24	(4,397)
CARRYING AMOUNT	**4,210**	**4,210**	**(1)**	**(67)**	**(84)**	**15**	**(4)**	**4,069**
INTANGIBLE ASSETS								
Gross amount	6,530	6,530	2	534	(142)	3	58	6,985
Amortisation and impairment	(4,350)	(4,350)	(1)	(438)	120	(1)	(28)	(4,698)
CARRYING AMOUNT	**2,180**	**2,180**	**1**	**96**	**(22)**	**2**	**30**	**2,287**

(1) Including depreciation on fixed assets let to third parties.

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
Asset gathering	**6,864**	**6,864**	**7**	**-**	**-**	**36**	**-**	**6,908**	**6,908**
of which insurance	1,214	1,214	-	-	-	-	-	1,214	1,214
of which asset management	4,851	4,851	2	-	-	14	-	4,868	4,868
of which international wealth management	799	799	5	-	-	22	-	826	826
French retail banking – LCL	**5,263**	**4,772**	**-**	**-**	**(611)**	**-**	**-**	**5,263**	**4,161**
International retail banking	**3,219**	**1,693**	**-**	**-**	**-**	**5**	**-**	**3,239**	**1,698**
of which Italy	2,872	1,660	-	-	-	-	-	2,872	1,660
of which Poland	220	-	-	-	-	-	-	221	-
of which Ukraine	39	-	-	-	-	-	-	39	-
of which other countries	88	33	-	-	-	5	-	97	38
Specialised financial services	**2,716**	**1,025**	**103**	**-**	**-**	**-**	**-**	**2,819**	**1,128**
of which Consumer finance (excl. Agos)	1,694	956	-	-	-	-	-	1,694	956
of which Consumer finance-Agos(1)	569	-	103	-	-	-	-	672	103
of which Factoring	453	69	-	-	-	-	-	453	69
Large customers	**2,362**	**1,137**	**248**	**-**	**-**	**-**	**-**	**2,610**	**1,385**
of which Corporate and investment banking	1,711	486	-	-	-	-	-	1,711	486
of which Asset servicing(2)	651	651	248	-	-	-	-	899	899
Corporate Centre	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL	**20,424**	**15,491**	**358**	**-**	**(611)**	**41**	**-**	**20,839**	**15,280**
Group share(3)	**18,884**	**14,111**	**317**	**-**	**(611)**	**37**	**(284)**	**18,959**	**13,570**
Non-controlling interests(3)	**1,540**	**1,380**	**42**	**-**	**-**	**5**	**284**	**1,880**	**1,710**

(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 -€284 million from Group share to non-controlling interests for +€284 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 €10 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 merge towards growth trends to infinity.

The economic scenario on which the projected financial trajectories are based is that of a slight downturn in economic growth in the main areas, accompanied by inflation that remains measured and a financial environment that is not without volatility, given the elements of uncertainty prevailing at the time the scenario was prepared, but without a systemic shock. Central banks are gradually moving towards a less accommodating monetary policy, aware that the United States is ahead of schedule in this respect. 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;

Refer to the glossary page 647 for the definition of the technical terms.

- 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 (for Crédit Agricole S.A. fully consolidated entities)	Perpetual growth rates	Discount rate	Capital allocated
French retail banking – LCL	2.0%	7.8%	10%
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% to 9.7%	9.7% à 9.9%
Asset gathering	2.0%	7.8% to 8.3%	9.8% 80% of the solvency margin (Insurance)
Large customers	2.0%	7.8% to 9.2%	9.8% to 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 jobs.

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 weighted jobs.

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 pb	-50 pb	+50 pb	-10%	+10%	-100 pb	+100 pb
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%	-1.0%	+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	-8.0%	+8.0%	-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 €40 million on the International retail banking – Italy CGU and an additional impairment charge of approximately €750 million for 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;
  - 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 €190 million on the Retail banking in France – LCL CGU.
- 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 €340 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 €310 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	6,092	24,167	2,005	**240,452**
Investment contracts with discretionary profit-sharing	70,161	-	15,284	-	**85,445**
Investment contracts without discretionary profit-sharing	2,420	-	1,694	-	**4,114**
Deferred participation benefits (liability)	25,824	-	763	-	**26,587**
Total Technical reserves	**306,593**	**6,092**	**41,909**	**2,005**	**356,599**
Deferred participation benefits (asset)	-	-	-	-	**-**
Reinsurer's share of technical reserves	(1,151)	(579)	(86)	(280)	**(2,096)**
NET TECHNICAL RESERVES	**305,442**	**5,513**	**41,823**	**1,725**	**354,503**

					31/12/2018
(in millions of euros)	Life	Non-life	International	Creditor	Total
Insurance contracts	190,622	5,394	19,475	1,860	**217,351**
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	-	-	-	**16,244**
Total Technical reserves	**282,548**	**5,394**	**34,778**	**1,860**	**324,580**
Deferred participation benefits (asset)	-	-	52	-	**52**
Reinsurer's share of technical reserves	(1,015)	(457)	(71)	(275)	**(1,818)**
NET TECHNICAL RESERVES	**281,533**	**4,937**	**34,759**	**1,585**	**322,814**

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.

Refer to the glossary page 647 for the definition of the technical terms.

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 in 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	(22,550)	(14,627)
of which deferred participation on revaluation of financial assets at fair value through other comprehensive income(1)	(23,322)	(15,519)
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	**(26,587)**	**(16,191)**

(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	Additions	Reversals, amounts used	Reversals, amounts not used	Translation adjustments	Other movements	31/12/2019
Home purchase schemes risks	245	245	-	122	-	-	-	-	367
Execution risks of commitments by signature	872	872	-	776	(41)	(710)	8	5	910
Operational risks	68	68	-	35	(11)	(9)	-	20	103
Employee retirement and similar benefits	1,709	1,709	(5)	151	(226)	(87)	8	117	1,667
Litigation	2,132	521	2	52	(39)	(27)	2	96	607
Equity investments	1	1	-	2	(1)	(2)	-	-	-
Restructuring	24	24	2	12	(2)	(1)	-	(2)	33
Other risks	758	758	3	132	(72)	(120)	-	(24)	677
TOTAL	**5,809**	**4,198**	**2**	**1,282**	**(392)**	**(956)**	**18**	**212**	**4,364**

(1) Reclassification of provisions for tax risks relating to income tax from "Provisions" to "Current and deferred tax liabilities" at 1 January 2019 for €1,611 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	Additions	Reversals, amounts used	Reversals, amounts unused	Translation adjustments	Other movements	31/12/2018
Home purchase schemes risks	241	241	-	11	-	(7)	-	-	245
Execution risks of commitments by signature	489	1,003	-	777	(47)	(898)	3	34	872
Operational risks	63	64	-	16	(3)	(10)	-	1	68
Employee retirement and similar benefits	1,832	1,832	(1)	145	(198)	(51)	10	(28)	1,709
Litigation	1,139	1,139	5	1,298	(65)	(158)	6	(94)	2,132
Equity investments	13	12	(1)	1	(9)	(1)	-	(1)	1
Restructuring	35	35	-	-	(4)	(7)	-	-	24
Other risks	609	609	2	210	(61)	(103)	(1)	102	758
TOTAL	**4,421**	**4,935**	**6**	**2,458**	**(387)**	**(1,235)**	**18**	**14**	**5,809**

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.

Refer to the glossary page 647 for the definition of the technical terms.

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 statement of objection 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 S.A. ("CACF") and its subsidiary FCA Bank S.p.A. 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 S.p.A. had participated in this alleged infringement and this infringement was also attributable to CACF.

FCA Bank S.p.A. has been fined 178.9 million euro. FCA Bank S.p.A. 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 ("Putnam Bank") 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 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 ("Hawaii Sheet Metal Workers retirement funds") was filed against the same banks in the same court and consolidated with the two previous actions on 26 April 2019.

On 1 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	6,407	12,412
Between 4 and 10 years old	48,251	38,112
Over 10 years old	49,359	50,001
Total home purchase savings plans	**104,017**	**100,525**
Total home purchase savings accounts	**11,929**	**11,665**
TOTAL DEPOSITS COLLECTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**115,946**	**112,190**

Refer to the glossary page 647 for the definition of the technical terms.

Customer deposits outstanding, excluding government subsidies, are based on the carrying amount at the end of November 2019for the financial statements at 31 December 2019and 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	3	4
Home purchase savings accounts	18	29
TOTAL OUTSTANDING LOANS GRANTED UNDER HOME PURCHASE SAVINGS CONTRACTS	**21**	**33**

Provision for 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
Between 4 and 10 years old	35	20
Over 10 years old	331	222
Total home purchase savings plans	**366**	**245**
Total home purchase savings accounts	**-**	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**366**	**245**

(in millions of euros)	31/12/2018	Additions	Reversals	Other movements	31/12/2019
Home purchase savings plans	245	121	-	-	366
Home purchase savings accounts	-	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**245**	**121**	**-**	**-**	**366**

Age plan is determined based on the date of the midway point in the generation of plans to which they belong.

All of the home purchase savings plans and accounts collected by the Regional Banks are recognised at 100% as liabilities in the consolidated financial statements of Crédit Agricole S.A.

Half of the amount of outstanding loans related to home purchase savings plans and accounts is recognised by Crédit Agricole S.A. 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.

Consequently, the ratio between the provision booked and the outstanding amounts shown on Crédit Agricole Group's balance sheet is not representative of the level of provisioning for home purchase savings risk.

6.19 SUBORDINATED DEBT

(in millions of euros)	31/12/2019	31/12/2018
Dated subordinated debt(1)	20,822	20,482
Undated subordinated debt(2)	747	2,061
Mutual security deposits	167	161
Participating securities and loans	61	61
CARRYING AMOUNT	**21,797**	**22,765**

(1) Includes issues of dated subordinated notes "TSR".

(2) This item includes issues of deeply subordinated "TSS" securities issued before the Basel 3 came into effect and issues of undated subordinated "TSDI" securities issued under CRD 4/CRR being classified as equity.

At 31 December 2019, deeply subordinated notes issued totalled €345 million, compared to €1,763 million at 31 December 2018.

Debt notes issued by Crédit Agricole S.A. and hold by Insurance entities of Crédit Agricole S.A. are eliminated for euro accounts. They are eliminated for the share representing unit-linked accounts whose financial risks is bore by the insuree.

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).

Refer to the glossary page 647 for the definition of the technical terms.

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 "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).

Refer to the glossary page 647 for the definition of the technical terms.

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;
- Cariparma: 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 EQUITY

Ownership structure at 31 December 2019

At 31 December 2019, to the knowledge of Crédit Agricole S.A., the distribution of capital and voting rights is as follows:

Shareholders	Number of shares at 31/12/2019	% of the share capital	% of voting rights
SAS Rue La Boétie	1,612,517,290	55.90%	55.91%
Treasury shares	435,000	0.02%	-
Employees (ESOP)	134,900,173	4.68%	4.68%
Public	1,136,836,249	39.41%	39.42%
TOTAL	**2,884,688,712**	**100.00%**	**100.00%**

At 31 December 2019, Crédit Agricole S.A.'s share capital stood at €8.654.066.136 divided into 2.884.688.712fully paid up ordinary shares each with a par value of €3.

SAS Rue La Boétie is wholly-owned by the Crédit Agricole Regional Banks.

Concerning Crédit Agricole S.A. stock, a liquidity agreement was signed on 25 October 2006 with Crédit Agricole Cheuvreux S.A., purchased by Kepler, and renamed Kepler Cheuvreux in 2013.

This agreement is automatically renewed every year. So that the operator can conduct the operations stipulated in the agreement with complete independence the agreement has been allocated an amount of €50 million.

To the Company's knowledge, no other shareholder owns 5% or more of the share capital or voting rights, either directly or indirectly or with others.

Earning per share

		31/12/2019	31/12/2018
Net income Group share during the period	*(in millions of euros)*	4,844	4,400
Net income attributable to undated deeply subordinated securities		(587)	(443)
Net income attributable to holders of ordinary shares		**4,257**	**3,957**
Weighted average number of ordinary shares in circulation during the period		2,873,414,500	2,853,704,584
Adjustment ratio		1.000	1.000
Weighted average number of ordinary shares for calculation of diluted earnings per share		2,873,414,500	2,853,704,584
BASIC EARNINGS PER SHARE	*(in euros)*	**1.482**	**1.387**
Basic earnings per share from ongoing activities	*(in euros)*	**1.495**	**1.388**
Basic earnings per share from discontinued operations	*(in euros)*	**(0.013)**	**(0.001)**
DILUTED EARNINGS PER SHARE	*(in euros)*	**1.482**	**1.387**
Diluted earnings per share from ongoing activities	*(in euros)*	**1.495**	**1.388**
Diluted earnings per share from discontinued operations	*(in euros)*	**(0.013)**	**(0.001)**

Net income attributable to subordinated and deeply subordinated securities corresponds to the issuance costs and interest accrued on subordinated and deeply subordinated Additional Tier 1 bond issues. This amounts to -€587 million at 31 December 2019.

Taking into consideration the change in the average price of Crédit Agricole S.A. share, all Crédit Agricole S.A. stock option plans are non-dilutive.

In the absence of any dilutive issue by Crédit Agricole S.A., basic earnings per share are identical to diluted earnings per share.

Dividends

For the 2019 financial year, Crédit Agricole S.A.'s Board of Directors' Meeting of 13 February 2020 decided to recommend to the General Meeting of Shareholders of 13 May 2020 the payment of a dividend of €0.70 per share in cash, to be paid on 20 May 2020.

Proposal in respect of the year *(in euros)*	2019	2018	2017	2016	2015
Ordinary dividend	0.70	0.69	0.63	0.60	0.60
Loyalty dividend	N/A	N/A	0.693	0.660	0.660

Dividends paid during the reporting period

For the 2018 financial year, the General Meeting of Shareholders of 21 May 2019 voted to pay a cash dividend of €0.69.

Dividends amounting to €1,976 million are shown in the statement of changes in equity.

Appropriation of net income

The proposed appropriation of net income is set out in the draft resolutions to be presented by the Board of Directors at Crédit Agricole S.A.'s Combined General Meeting on Tuesday 13 May 2020.

Crédit Agricole S.A. parent company posted positive net income of €2,015,810,057.93 in the 2019 financial year.

The Board of Directors decided to propose that the combined General Meeting of Shareholders agree:

- to record that the profit for the financial year amounts to €2,015,810,057.93;
- to allocate the amount of €5,475,466.80 to the legal reserve to bring it up to 10% of the share capital, which amounts to €8,654,066,136.00;
- to record that the distributable earnings amounts to €16,607,585,612.21, taking into account retained earnings of €14,597,251,021.08;
- to establish the amount of the regular dividend at €0.70 per share;
- to distribute the dividend paid out of distributable earnings in the amount of €2,018,977,598.40[1];
- to allocate the undistributed balance of €14,588,608,013.81[1] to retained earnings.

Undated subordinated and deeply subordinated debt

The main issues of undated subordinated and deeply subordinated debt classified in shareholders' equity Group share are:

				At 31 December 2019				
Issue date	Currency	Amount in currency at 31/12/2018 *(in millions of units)*	Partial repurchases and redemptions *(in millions of units)*	Amount in currency at 31/12/2019 *(in millions of units)*	Amount in euros at inception rate *(in millions of euros)*	Interests paid Group share *(in millions of euros)*	Issuance costs net of taxes *(in millions of euros)*	Shareholders' equity Group share *(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				-	(171)	(3)	(174)
Insurance Issues					**-**	**(340)**	**(6)**	**(346)**
Issues subscribed in-house								
Group share / Non controlling interests effect					-	59	-	59
Issues subscribed by Crédit Agricole CIB for currency regulation					(4)	-	-	(4)
TOTAL					**5,134**	**(2,013)**	**(39)**	**3,082**

(1) This amount will be adjusted where appropriate to reflect the following events: (a) creation of new shares eligible for dividends before the ex-dividend date, (b) change in the number of treasury shares at ex-dividend date.

Refer to the glossary page 647 for the definition of the technical terms.

The main issues of undated subordinated and deeply subordinated debt classified in shareholder's equity – Non controlling interests share (insurance) are:

Issue date	Currency	Amount in currency at 31/12/2018	Partial repurchases and redemptions	Amount in currency at 31/12/2019	Amount in euros at inception rate
		(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	1,000	-	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	(395)	(367)
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	-	-
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
Groupe Amundi	31%	32%	294	2,186	180
Groupe Cariparma	24%	24%	83	1,379	40
Groupe CACEIS	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]			89	2,828	23
TOTAL			**612**	**7,921**	**376**

(1) *Of which €1,745 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
Groupe Amundi	31%	32%	278	2,069	159
Groupe Cariparma	23%	23%	99	1,302	39
Agos S.p.A.	39%	39%	126	493	87
Crédit Agricole Egypt S.A.E.	40%	40%	38	116	23
Other entities[1]			86	2,725	45
TOTAL			**627**	**6,705**	**353**

(1) *Of which €1,745 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 Crédit Agricole S.A. Group 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
Cariparma group	64,231	1,950	326	401
CACEIS group	88,015	939	158	205
Agos S.p.A.	18,180	868	267	266
Crédit Agricole Egypt S.A.E.	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
Cariparma group	63,189	1,941	376	262
Agos S.p.A.	16,873	888	323	324
Crédit Agricole Egypt S.A.E.	2,636	183	95	85
TOTAL	**103,635**	**5,523**	**1,649**	**1,502**

Refer to the glossary page 647 for the definition of the technical terms.

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	93,079	-	-	-	-	**93,079**
Financial assets at fair value through profit or loss	94,533	25,421	44,405	79,628	155,490	**399,477**
Hedging derivative Instruments	2,831	434	4,057	12,046	-	**19,368**
Financial assets at fair value through other comprehensive income	8,573	16,519	94,771	138,824	2,634	**261,321**
Financial assets at amortised cost	201,912	153,737	326,542	220,653	3,436	**906,280**
Revaluation adjustment on interest rate hedged portfolios	7,145					**7,145**
TOTAL FINANCIAL ASSETS BY MATURITY	**408,074**	**196,110**	**469,775**	**451,151**	**161,560**	**1,686,670**
Central banks	1,896	-	-	-	-	**1,896**
Financial liabilities at fair value through profit or loss	100,314	11,579	43,840	90,937	-	**246,669**
Hedging derivative Instruments	1,542	573	3,988	7,190	-	**13,293**
Financial liabilities at amortised cost	721,662	95,870	110,929	61,502	-	**989,962**
Subordinated debt	301	1,206	1,938	17,451	901	**21,797**
Revaluation adjustment on interest rate hedged portfolios	9,182					**9,182**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**834,897**	**109,228**	**160,695**	**177,078**	**901**	**1,282,799**

	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	66,976	-	-	-	-	**66,976**
Financial assets at fair value through profit or loss	105,247	29,266	38,465	67,065	125,432	**365,475**
Hedging derivative Instruments	1,177	724	5,340	7,081	-	**14,322**
Financial assets at fair value through other comprehensive income	8,650	18,593	90,783	131,770	3,824	**253,620**
Financial assets at amortised cost	191,634	144,010	297,314	204,918	2,325	**840,201**
Revaluation adjustment on interest rate hedged portfolios	6,375					**6,375**
TOTAL FINANCIAL ASSETS BY MATURITY	**380,059**	**192,593**	**431,902**	**410,834**	**131,581**	**1,546,969**
Central banks	949	-	-	-	-	**949**
Financial liabilities at fair value through profit or loss	100,064	14,080	42,383	71,584	-	**228,111**
Hedging derivative Instruments	1,038	539	4,748	5,760	-	**12,085**
Financial liabilities at amortised cost	639,242	90,720	121,134	62,504	-	**913,600**
Subordinated debt	277	2,147	2,551	15,568	2,222	**22,765**
Revaluation adjustment on interest rate hedged portfolios	6,612					**6,612**
TOTAL FINANCIAL LIABILITIES BY MATURITY	**748,182**	**107,486**	**170,816**	**155,416**	**2,222**	**1,184,122**

Refer to the glossary page 647 for the definition of the technical terms.

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]	(4,899)	(4,934)
Contributions to defined-contribution plans	(394)	(384)
Contributions to defined-benefit plans	(97)	(43)
Other social security expenses	(1,165)	(1,169)
Profit-sharing and incentive plans	(256)	(241)
Payroll-related tax	(336)	(351)
TOTAL EMPLOYEE EXPENSES	**(7,147)**	**(7,123)**

(1) Regarding deferred variable compensation paid to market professionals, the Crédit Agricole S.A. 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 headcount	31/12/2019	31/12/2018
France	34,980	36,059
International	37,544	36,451
TOTAL	**72,524**	**72,510**

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, Crédit Agricole S.A. Group 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

Refer to the glossary page 647 for the definition of the technical terms.

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	**1,583**	**1,489**	**3,072**	**3,104**
Translation adjustments	-	66	**66**	**29**
Cost of service rended during the period	59	35	**94**	**96**
Financial cost	19	30	**49**	**46**
Employee contributions	-	16	**16**	**16**
Benefit plan changes, withdrawals and settlement	(103)	3	**(100)**	**(2)**
Changes in scope	(1)	-	**(1)**	**3**
Benefits paid (mandatory)	(63)	(69)	**(132)**	**(146)**
Taxes, administrative costs and bonuses	-	-	**-**	**-**
Actuarial gains/(losses) arising from changes in demographic assumptions(1)	17	(28)	**(11)**	**(21)**
Actuarial gains/(losses) arising from changes in financial assumptions(1)	100	183	**283**	**(53)**
ACTUARIAL LIABILITY AT 31/12/N	**1,611**	**1,725**	**3,336**	**3,072**

(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	45	(38)	**7**	**(93)**
Income/expenses on net interests	(9)	(2)	**(11)**	**(13)**
IMPACT ON PROFIT OR LOSS AT 31/12/N	**36**	**(40)**	**(4)**	**(106)**

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	**418**	**256**	**674**	**734**
Translation adjustments	-	7	**7**	**7**
Actuarial gains/(losses) on assets	(22)	(90)	**(112)**	**12**
Actuarial gains/(losses) arising from changes in demographic assumptions(1)	17	(28)	**(11)**	**(21)**
Actuarial gains/(losses) arising from changes in financial assumptions(1)	100	183	**283**	**(53)**
Adjustment of assets restriction's impact	-	-	**-**	**5**
IMPACT IN OTHER COMPREHENSIVE INCOME AT 31/12/N	**95**	**72**	**167**	**(50)**

(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	482	1,318	1,800	1,751
Translation adjustments	1	59	60	21
Interests on asset (income)	6	29	35	31
Actuarial gains/(losses)	22	90	112	(12)
Employer contributions	69	33	102	64
Employee contributions	-	16	16	16
Benefit plan changes, withdrawals and settlement	-	-	-	-
Changes in scope	6	-	6	3
Taxes, administrative costs and bonuses	-	(1)	(1)	-
Benefits paid out under the benefit plan	(11)	(66)	(77)	(74)
FAIR VALUE OF ASSETS AT 31/12/N	**575**	**1,478**	**2,053**	**1,800**

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	(1,611)	(1,725)	(3,336)	(3,072)
Impact of asset restriction	-	(9)	(9)	(6)
Fair value of assets at end of period	575	1,478	2,053	1,800
NET POSITION OF ASSETS/(LIABILITIES) AT END OF PERIOD	**(1,036)**	**(256)**	**(1,292)**	**(1,278)**

Defined-benefit plans: main actuarial assumptions

	31/12/2019		31/12/2018	
(in millions of euros)	Eurozone	Outside Eurozone	Eurozone	Outside 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).

Refer to the glossary page 647 for the definition of the technical terms.

Information of plan assets: allocation of assets[1]

	Eurozone			Outside Eurozone			All Zones		
(in millions of euros)	%	Amount	of which listed	%	Amount	of which listed	%	Amount	of which listed
Equities	8.4%	76	67	23.8%	352	352	17.9%	428	419
Bonds	41.5%	379	366	50.1%	740	740	46.8%	1,118	1,106
Property/Real estate	3.3%	30		11.4%	169		8.3%	198	
Others	46.9%	428		14.7%	218		27.0%	646	

(1) Of which fair value of reimbursement rights.

At 31 December 2019, the sensitivity analysis showed that:

- a 50 basis point increase in discount rates would reduce the commitment by 6.42%;
- a 50 basis point decrease in discount rates would increase the commitment by 7.26%.

The benefits expected to be paid in respect of post-employment plans for 2019 are as follows:

- benefits paid by the employer or by reimbursement rights funds: €55 million (compared to €72 million paid in 2018);
- benefits paid by plan assets: €77 million (compared to €74 million paid in 2018).

Crédit Agricole S.A.'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 72% 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 S.A. Group for these other employee benefit obligations amounted to €375 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).

7.7 EXECUTIVE COMPENSATION

Senior management includes all members of the Executive Committee, namely the Chief Executive Officer, Deputy Chief Executive Officer, Deputy Chief Executive Officers for the Group's different divisions, Chief Executive Officers of the main subsidiaries and the Heads of the Group's core business activities.

Compensation and benefits paid to the members of the Executive Committee in 2019 were as follows:

- short-term benefits: €25.6 million for fixed and variable compensation (of which €3.3 million paid in share-indexed instruments), including social security expenses and benefits in kind;
- post-employment benefits: €3.8 million for end-of-career allowances and for the supplementary pension plan for Group executive managers;
- other long-term employee benefits: the amount of long-service awards granted was not material;
- employment contract termination indemnities: not material;
- other share-based payment: not applicable.

Total Directors' fees paid to members of Crédit Agricole S.A.'s Board of Directors in 2019 in consideration for serving as Directors of Crédit Agricole S.A. amounted to €965,463.

These amounts included the compensation and benefits paid to the Chief Executive Officer and Deputy Chief Executive Officer of Crédit Agricole S.A.

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	4,226
Right-of-use on lease contracts	1,371
TOTAL PROPERTY, PLANT & EQUIPMENT USED IN OPERATIONS	**5,597**

Crédit Agricole 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 S.A. 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 is the taker of many assets including offices, agencies and computer equipment.

Information relating to the contracts of which Crédit Agricole S.A. is a taker is presented below:

(in millions of euros)	31/12/2018	01/01/2019	Changes in scope	Increases (acquisitions)	Decreases (disposals)	Translation adjust-ments	Other movements	31/12/2019
PROPERTY/REAL ESTATE	-	-	-	-	-	-	-	-
Gross amount	-	1,476	14	269	(74)	10	(8)	1,687
Depreciation and impairment	-	(54)	(2)	(294)	6	-	-	(344)
Total Property/Real estate	**-**	**1,422**	**12**	**(25)**	**(68)**	**10**	**(8)**	**1,343**
EQUIPMENT	-	-	-	-	-	-	-	-
Gross amount	4	31	-	16	(4)	-	-	43
Depreciation and impairment	(2)	(2)	-	(14)	1	-	-	(15)
Total Equipment	**2**	**29**	**-**	**2**	**(3)**	**-**	**-**	**28**
TOTAL RIGHT-OF-USE	**2**	**1,451**	**12**	**(23)**	**(71)**	**10**	**(8)**	**1,371**

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	285	732	390	1,407

Refer to the glossary page 647 for the definition of the technical terms.

Details of rental contract income and expenses

(in millions of euros)	31/12/2019
Interest expense on lease liabilities	(24)
Total Interest and similar expenses (Revenues)	**(24)**
Expense relating to short-term leases	(81)
Expense relating to leases of low-value assets	(28)
Expense relating to variable lease payments not included in the measurement of lease liabilities	(8)
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	**(115)**
Depreciation for right-of-use	(308)
Total Depreciation and amortisation of property, plant & equipment	**(308)**
TOTAL EXPENSE AND INCOME ON LEASE CONTRACTS	**(447)**

Cash flow amounts for the period

(in millions of euros)	31/12/2019
Total Cash outflow for leases	**(407)**

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	**604**
Selling profit or loss	42
Finance income on the net investment in the lease	562
Income relating to variable lease payments	-
Operating leases	**251**
Lease income	251

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	**5,406**	**7,597**	**2,934**	**15,937**	**1,595**	**1,658**	**16,000**

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 (excluding Credit Agricole internal transactions)	**154,791**	**169,768**
Commitments given to credit institutions	13,433	25,799
Commitments given to customers	141,358	143,969
Confirmed credit lines	112,825	109,553
Documentary credits	4,282	5,423
Other confirmed credit lines	108,543	104,130
Other commitments given to customers	28,533	34,416
Guarantee commitments (excluding Credit Agricole internal transactions)	**87,884**	**85,166**
Credit institutions	8,542	8,582
Confirmed documentary credit lines	3,372	4,364
Others	5,170	4,218
Customers	79,342	76,584
Property guarantees	2,168	2,005
Other customer guarantees	77,175	74,579
Securities commitments	**4,765**	**7,045**
Securities to be delivered	4,765	7,045
COMMITMENTS RECEIVED		
Financing commitments (excluding Credit Agricole internal transactions)	**84,102**	**94,567**
Commitments received from credit institutions	81,155	85,943
Commitments received from customers	2,946	8,624
Guarantee commitments (excluding Credit Agricole internal transactions)	**327,988**	**294,729**
Commitments received from credit institutions(1)	94,670	87,558
Commitments received from customers	233,318	207,171
Guarantees received from government bodies or similar institutions	25,934	24,842
Other guarantees received	207,385	182,329
Securities commitments	**4,556**	**10,369**
Securities to be received	4,556	10,369

(1) *Of which €9.2 billion for* the *Switch Insurance guarantee set up on 1 July 2016.*

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.)	189,444	184,640
Securities lent	8,874	11,645
Security deposits on market transactions	18,155	16,367
Other security deposits	-	-
Securities sold under repurchase agreements	104,627	100,512
TOTAL CARRYING AMOUNT OF FINANCIAL ASSETS PROVIDED AS COLLATERAL	**321,099**	**313,164**
CARRYING AMOUNT OF FINANCIAL ASSETS RECEIVED IN GUARANTEE		
Other security deposits(1)	3,102	3,102
Fair value of instruments received as reusable and reused collateral		
Securities borrowed	4	3
Securities bought under repurchase agreements	275,463	270,427
Securities sold short	33,468	29,368
TOTAL FAIR VALUE OF INSTRUMENTS RECEIVED AS REUSABLE AND REUSED COLLATERAL	**308,935**	**299,798**

(1) *Of which €3.1 billion for the deposits received under the Switch Insurance guarantee, set* up *on 1 July 2016, amending the previous deposits received since 2 January 2014 in the amount of €8.1 billion.*

Refer to the glossary page 647 for the definition of the technical terms.

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 December 2019, €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.

At 31 December 2019, €38.0 billion of Regional Banks and €8.9 billion of LCL receivables had been pledged as collateral for the covered bond issues of Crédit Agricole Home Loan SFH, a financial company wholly owned by Crédit Agricole S.A.

As at 31 December 2019, 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 December 2019, 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. 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 S.A. 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 S.A.

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.

Reclassification performed by Crédit Agricole S.A.

In 2019, Crédit Agricole S.A. 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					
Loans and receivables	**833,761**	**858,085**	**-**	**529,155**	**328,930**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	**438,580**	**448,243**	**-**	**447,039**	**1,204**
Current accounts and overnight loans	30,780	30,793	-	30,618	175
Accounts and long-term loans	400,063	409,649	-	408,849	800
Pledged securities	1	1	-	-	1
Securities bought under repurchase agreements	6,701	6,707	-	6,707	-
Subordinated loans	929	966	-	738	228
Other loans and receivables	106	127	-	127	-
Loans and receivables due from customers	**395,180**	**409,842**	**-**	**82,116**	**327,726**
Trade receivables	43,563	42,854	-	20,832	22,022
Other customer loans	332,629	346,991	-	44,075	302,916
Pledged securities	232	232	-	232	-
Securities bought under repurchase agreements	4,071	4,073	-	4,073	-
Subordinated loans	44	44	-	4	40
Insurance receivables	314	314	-	9	305
Reinsurance receivables	770	770	-	1	769
Advances in associates' current accounts	142	143	-	10	133
Current accounts in debit	13,415	14,421	-	12,880	1,541
Debt securities	**72,519**	**72,706**	**48,164**	**7,138**	**17,404**
Treasury bills and similar securities	23,578	23,672	21,996	1,435	241
Bonds and other fixed income securities	48,942	49,034	26,169	5,703	17,162
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**906,280**	**930,791**	**48,164**	**536,293**	**346,334**

Refer to the glossary page 647 for the definition of the technical terms.

(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					
Loans and receivables	**782,437**	**804,094**	**-**	**497,697**	**306,397**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	**412,981**	**420,599**	**-**	**419,632**	**967**
Current accounts and overnight loans	33,861	34,482	-	34,381	101
Accounts and long-term loans	371,185	378,149	-	377,469	680
Pledged securities	1	1	-	-	1
Securities bought under repurchase agreements	6,972	6,974	-	6,974	-
Subordinated loans	887	895	-	710	185
Other loans and receivables	75	98	-	98	-
Loans and receivables due from customers	**369,456**	**383,495**	**-**	**78,065**	**305,430**
Trade receivables	46,700	45,895	-	20,015	25,880
Other customer loans	306,140	319,954	-	45,468	274,486
Pledged securities	131	131	-	131	-
Securities bought under repurchase agreements	2,976	2,976	-	2,976	-
Subordinated loans	103	102	-	3	99
Insurance receivables	655	655	-	14	641
Reinsurance receivables	634	634	-	53	581
Advances in associates' current accounts	144	145	-	7	138
Current accounts in debit	11,973	13,003	-	9,398	3,605
Debt securities	**57,764**	**58,210**	**41,161**	**12,927**	**4,122**
Treasury bills and similar securities	23,214	23,269	20,507	2,712	50
Bonds and other fixed income securities	34,550	34,941	20,654	10,215	4,072
TOTAL FINANCIAL ASSETS OF WHICH FAIR VALUE IS DISCLOSED	**840,201**	**862,304**	**41,161**	**510,624**	**310,519**

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	**142,041**	**142,755**	**-**	**142,723**	**32**
Current accounts and overnight loans	31,290	31,287	-	31,287	-
Accounts and term deposits	82,514	83,207	-	83,175	32
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	28,237	28,261	-	28,261	-
Due to customers	**646,914**	**647,017**	**-**	**341,395**	**305,622**
Current accounts in credit	228,338	228,337	-	228,301	37
Special savings accounts	302,423	302,425	-	281	302,144
Other amounts due to customers	112,020	112,125	-	111,173	952
Securities sold under repurchase agreements	1,569	1,568	-	1,568	-
Insurance liabilities	942	940	-	61	878
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	**201,007**	**204,181**	**71,169**	**132,308**	**703**
Subordinated debt	**21,797**	**22,119**	**5,754**	**16,182**	**183**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**1,011,759**	**1,016,071**	**76,922**	**632,609**	**306,540**

Refer to the glossary page 647 for the definition of the technical terms.

(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	**131,960**	**132,329**	**-**	**132,329**	**-**
Current accounts and overnight loans	25,718	25,760	-	25,760	-
Accounts and term deposits	82,514	82,841	-	82,841	-
Pledged securities	-	-	-	-	-
Securities sold under repurchase agreements	23,728	23,728	-	23,728	-
Due to customers	**597,170**	**597,664**	**-**	**306,142**	**291,522**
Current accounts in credit	203,494	203,847	-	203,847	-
Special savings accounts	288,413	288,413	-	-	288,413
Other amounts due to customers	101,776	101,919	-	101,333	586
Securities sold under repurchase agreements	840	840	-	840	-
Insurance liabilities	1,260	1,260	-	59	1,201
Reinsurance liabilities	334	333	-	63	270
Cash deposits received from ceding and retroceding companies against technical insurance commitments	1,053	1,052	-	-	1,052
Debt securities	**184,470**	**186,668**	**66,396**	**120,197**	**75**
Subordinated debt	**22,765**	**22,849**	**7,165**	**15,579**	**105**
TOTAL FINANCIAL LIABILITIES OF WHICH FAIR VALUE IS DISCLOSED	**936,365**	**939,510**	**73,561**	**574,247**	**291,702**

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 either 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 CIB (CACIB) 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).

Refer to the glossary page 647 for the definition of the technical terms.

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 (probabilities of default are derived in priority directly from listed CDS, proxies of listed CDS and other credit instruments where these are deemed sufficiently liquid). 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 S.A.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 S.A.) 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.A.'s default and the effective liquidation of all positions). The methodology used maximises the use of observable market inputs (use of Crédit Agricole S.A.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 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	**230,721**	**23,646**	**201,576**	**5,499**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	61	-	61	-
Loans and receivables due from customers	894	-	-	894
Securities bought under repurchase agreements	103,690	-	101,771	1,919
Pledged securities	-	-	-	-
Held for trading securities	25,281	22,762	1,740	779
Treasury bills and similar securities	13,665	12,494	1,170	1
Bonds and other fixed income securities	4,607	3,878	568	161
Mutual funds	108	84	-	24
Equities and other variable income securities	6,901	6,305	2	594
Derivative instruments	100,795	884	98,004	1,907
Other financial instruments at fair value through profit or loss	**168,756**	**113,114**	**46,358**	**9,284**
Equity instruments at fair value through profit or loss	**36,293**	**25,070**	**6,852**	**4,371**
Equities and other variable income securities	24,754	21,726	2,027	1,001
Non-consolidated equity investments	11,539	3,344	4,825	3,370
Debt instruments that do not meet the conditions of the “SPPI” test	**72,942**	**45,690**	**22,535**	**4,717**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	4,209	-	3,847	362
Debt securities	68,733	45,690	18,688	4,355
Treasury bills and similar securities	252	111	139	2
Bonds and other fixed income securities	13,152	1,995	10,578	579
Mutual funds	55,329	43,584	7,971	3,774
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	**1**	**1**	**-**	**-**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	1	1	-	-
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	1	1	-	-
Financial assets at fair value through other comprehensive income	**261,321**	**243,263**	**17,772**	**286**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	2,518	1,367	884	267
Equities and other variable income securities	802	457	309	36
Non-consolidated equity investments(1)	1,716	910	575	231
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	258,803	241,895	16,888	20
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	258,803	241,895	16,888	20
Treasury bills and similar securities	82,684	82,361	323	-
Bonds and other fixed income securities	176,119	159,534	16,565	20
Hedging derivative Instruments	**19,368**	**34**	**19,334**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**680,166**	**380,057**	**285,040**	**15,069**
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		2,119
Transfers from Level 3: valuation based on unobservable data		72	1,820	
TOTAL TRANSFERS TO EACH LEVEL		**546**	**6,240**	**2,225**

(1) SAS Rue La Boétie shares have been included in Non-consolidated equity investments in Level 2 for €70 million.

Level 1 to Level 2 transfers 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.

 Refer to the glossary page 647 for the definition of the technical terms.

(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	**225,605**	**24,636**	**196,612**	**4,357**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	191	-	191	-
Loans and receivables due from customers	1,374	-	-	1,374
Securities bought under repurchase agreements	107,414	-	106,447	967
Pledged securities	-	-	-	-
Held for trading securities	22,072	19,394	2,154	524
Treasury bills and similar securities	14,219	12,134	1,640	445
Bonds and other fixed income securities	5,043	4,483	506	54
Mutual funds	33	3	5	25
Equities and other variable income securities	2,777	2,774	3	-
Derivative instruments	94,554	5,242	87,820	1,492
Other financial instruments at fair value through profit or loss	**139,870**	**93,239**	**39,423**	**7,208**
Equity instruments at fair value through profit or loss	**28,351**	**19,159**	**6,190**	**3,002**
Equities and other variable income securities	19,315	16,839	1,468	1,008
Non-consolidated equity investments	9,036	2,320	4,722	1,994
Debt instruments that do not meet the conditions of the "SPPI" test	**60,131**	**36,856**	**19,073**	**4,202**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	3,003	-	2,890	113
Debt securities	57,128	36,856	16,183	4,089
Treasury bills and similar securities	156	73	83	-
Bonds and other fixed income securities	11,637	1,760	9,126	751
Mutual funds	45,335	35,023	6,974	3,338
Assets backing unit-linked contracts	**51,386**	**37,222**	**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	41,281	33,930	7,347	4
Financial assets designated at fair value through profit or loss	**2**	**2**	**-**	**-**
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	-	-	-	-
Debt securities	2	2	-	-
Treasury bills and similar securities	-	-	-	-
Bonds and other fixed income securities	2	2	-	-
Financial assets at fair value through other comprehensive income	**253,620**	**235,272**	**17,699**	**649**
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	3,418	1,988	853	577
Equities and other variable income securities	283	16	233	34
Non-consolidated equity investments	3,135	1,972	620	543
Debt instruments at fair value through other comprehensive income that may be reclassified to profit and loss	250,202	233,284	16,846	72
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	-	-	-	-
Loans and receivables due from customers	1	-	1	-
Debt securities	250,201	233,284	16,845	72
Treasury bills and similar securities	75,753	75,286	395	72
Bonds and other fixed income securities	174,448	157,998	16,450	-
Hedging derivative Instruments	**14,322**	**7**	**14,315**	**-**
TOTAL FINANCIAL ASSETS MEASURED AT FAIR VALUE	**633,417**	**353,154**	**268,049**	**12,214**
Transfers from Level 1: quoted prices in active markets for identical instruments			-	75
Transfers from Level 2: valuation based on observable data		291		801
Transfers from Level 3: valuation based on unobservable data		8	114	
TOTAL TRANSFERS TO EACH LEVEL		**299**	**114**	**876**

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	**206,708**	**34,018**	**171,104**	**1,586**
Securities sold short	33,473	33,259	214	-
Securities sold under repurchase agreements	74,762	-	73,842	920
Debt securities	55	-	55	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	98,418	759	96,993	666
Financial liabilities designated at fair value through profit or loss	**39,961**	**8,763**	**23,683**	**7,515**
Hedging derivative Instruments	**13,293**	**-**	**12,981**	**312**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**259,962**	**42,781**	**207,768**	**9,413**
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	4,676	
TOTAL TRANSFERS TO EACH LEVEL		**275**	**8,699**	**605**

Level 1 to Level 2 transfers 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
Financial liabilities held for trading	**193,956**	**29,801**	**159,881**	**4,274**
Securities sold short	25,433	24,810	403	220
Securities sold under repurchase agreements	75,917	-	73,593	2,324
Debt securities	2	-	2	-
Due to credit institutions	-	-	-	-
Due to customers	-	-	-	-
Derivative instruments	92,604	4,991	85,883	1,730
Financial liabilities designated at fair value through profit or loss	**34,155**	**7,499**	**18,241**	**8,415**
Hedging derivative Instruments	**12,085**	**-**	**11,734**	**351**
TOTAL FINANCIAL LIABILITIES MEASURED AT FAIR VALUE	**240,196**	**37,300**	**189,856**	**13,040**
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	381	
TOTAL TRANSFERS TO EACH LEVEL		**10**	**381**	**811**

Transfers in liabilities 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: over-the-counter derivatives and issues at fair value by option. This amount stands at -€2.1 billion.

Refer to the glossary page 647 for the definition of the technical terms.

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 and on an ongoing basis and valued in a market consensus model;
- 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 and 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

(in millions of euros)	Total	Held-for-trading financial assets						
				Held for trading securities				
		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)	**12,215**	**1,374**	**967**	**445**	**54**	**25**	**524**	**1,492**
Gains or losses during the period[1]	**(103)**	15	(4)	-	(5)	-	(5)	(305)
Recognised in profit or loss	**96**	-	(2)	-	(5)	-	(5)	(305)
Recognised in other comprehensive income	**(199)**	15	(2)	-	-	-	-	-
Purchases	**5,423**	820	985	-	14	-	609	442
Sales	**(2,530)**	(1,113)	-	-	(6)	(2)	(8)	-
Issues	**-**	-	-	-	-	-	-	-
Settlements	**(306)**	(204)	-	-	(1)	-	(1)	(86)
Reclassifications	**21**	-	-	-	-	-	-	-
Changes associated with scope during the period	**16**	-	-	-	-	-	-	-
Transfers	**333**	-	(29)	(445)	105	-	(340)	364
Transfers to Level 3	**2,225**	-	938	-	105	-	105	772
Transfers from Level 3	**(1,892)**	-	(967)	(445)	-	-	(445)	(408)
CLOSING BALANCE (30/06/2019)	**15,069**	**892**	**1,919**	**-**	**161**	**23**	**779**	**1,907**

(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	**(168)**
Recognised in profit or loss	53
Recognised in other comprehensive income	(221)

(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 treasury bills. This amount stands at +€0.1 billion.

Refer to the glossary page 647 for the definition of the technical terms.

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			Debt instruments that do not meet the conditions of the "SPPI" test						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	
			Debt 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**	**113**	**-**	**751**	**3,338**	**4,089**	**-**	**4**	**34**	**543**	**72**	**72**
1	225	(17)	4	5	(5)	4	184	-	1	(222)	-	20
1	224	(25)	4	5	(5)	4	184	-	-	-	-	20
-	-	7	-	-	-	-	-	-	1	(220)	-	-
126	695	288	-	61	1,081	1,142	-	8	-	308	-	-
(136)	(17)	(24)	-	(243)	(660)	(904)	-	-	-	(328)	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	(15)	-	-
-	-	18	2	-	-	2	-	-	-	1	-	-
-	87	(16)	(4)	5	-	1	-	-	-	(56)	-	-
-	390	-	-	-	20	20	-	-	-	-	(72)	(72)
-	390	-	-	-	20	20	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-	(72)	(72)
1,000	**3,374**	**362**	**2**	**579**	**3,774**	**4,354**	**184**	**12**	**35**	**231**	**-**	**20**

Financial liabilities measured at fair value according to Level 3

(in millions of euros)	Total	Financial liabilities held for trading: Securities sold short	Financial liabilities held for trading: Securities sold under repurchase agreements	Financial liabilities held for trading: Derivative instruments	Financial liabilities designated at fair value through profit or loss	Hedging derivative instruments
Opening balance (01/01/2019)	**13,040**	**220**	**2,324**	**1,730**	**8,415**	**351**
Gains or losses during the period[1]	**(490)**	(1)	-	(273)	(228)	12
Recognised in profit or loss	**(490)**	(1)	-	(273)	(228)	12
Recognised in other comprehensive income	-	-	-	-	-	-
Purchases	**582**	22	488	71	1	-
Sales	**(50)**	-	-	-	-	(50)
Issues	**3,446**	-	-	-	3,446	-
Settlements	**(2,789)**	-	-	(70)	(2,719)	-
Reclassifications	-	-	-	-	-	-
Changes associated with scopes during the period	**(14)**	-	-	-	(14)	-
Transfers[2]	**(4,312)**	(241)	(1,892)	(792)	(1,387)	-
Transfers to Level 3	**605**	-	432	71	102	-
Transfers from Level 3	**(4,917)**	(241)	(2,324)	(863)	(1,489)	-
CLOSING BALANCE (31/12/2019)	**9,413**	-	**920**	**666**	**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	**(490)**
Recognised in profit or loss	(490)
Recognised in other comprehensive income	-

(2) The transfer from level 3 to level 2 in liabilities for €2.1 million 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 (<€50 thousand/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	66,976		66,976
Financial assets at fair value through profit or loss	365,475		365,475
Held for trading financial assets	225,605		225,605
Other financial instruments at fair value through profit or loss	139,870		139,870
Hedging derivative Instruments	14,322		14,322
Financial assets at fair value through other comprehensive income	253,620		253,620
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	250,202		250,202
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	3,418		3,418
Financial assets at amortised cost	840,201		840,201
Loans and receivables due from credit institutions (excluding Credit Agricole internal transactions)	412,981		412,981
Loans and receivables due from customers	369,456		369,456
Debt securities	57,764		57,764
Revaluation adjustment on interest rate hedged portfolios	6,375		6,375
Current and deferred tax assets	4,480	-	4,480
Accruals, prepayments and sundry assets	38,013	-	38,013
Non-current assets held for sale and discontinued operations	257		257
Deferred participation benefits	52		52
Investments in equity-accounted entities	6,368		6,368
Investment property	6,408	-	6,408
Property, plant and equipment	5,517	1,448	4,069
Intangible assets	2,282	(5)	2,287
Goodwill	15,491		15,491
TOTAL ASSETS	**1,625,837**	**1,443**	**1,624,394**

Refer to the glossary page 647 for the definition of the technical terms.

12.1.2 Balance sheet – liabilities

(in millions of euros)	01/01/2019 Restated	Impact of IFRS 16	01/01/2019 Stated
Central banks	949	-	949
Financial liabilities at fair value through profit or loss	228,111	-	228,111
Held for trading financial liabilities	193,956	-	193,956
Financial liabilities designated at fair value through profit or loss	34,155	-	34,155
Hedging derivative Instruments	12,085	-	12,085
Financial liabilities at amortised cost	913,600	-	913,600
Due to credit institutions	131,960	-	131,960
Due to customers	597,170	-	597,170
Debt securities	184,470	-	184,470
Revaluation adjustment on interest rate hedged portfolios	6,612	-	6,612
Current and deferred tax liabilities	2,376	-	2,376
Accruals, prepayments and sundry liabilities	43,756	1,447	42,309
Liabilities associated with non-current assets held for sale and discontinued operations	229	-	229
Insurance company technical reserves	324,033	-	324,033
Provisions	5,805	(4)	5,809
Subordinated debt	22,765	-	22,765
Total Liabilities	**1,560,321**	**1,443**	**1,558,878**
Equity	**65,516**	**-**	**65,516**
Equity – Group share	**58,811**	**-**	**58,811**
Share capital and reserves	27,009		27,009
Consolidated reserves	26,179	-	26,179
Other comprehensive income	1,214		1,214
Other comprehensive income on discontinued operations	9	-	9
Net income (loss) for the year	4,400		4,400
Non-controlling interests	**6,705**	**-**	**6,705**
TOTAL LIABILITIES AND EQUITY	**1,625,837**	**1,443**	**1,624,394**

NOTE 13 Scope of consolidation at 31 December 2019

13.1 INFORMATION ON SUBSIDIARIES

13.1.1 Restrictions on entities

Crédit Agricole S.A. Group is subject to the following restrictions:

Regulatory constraints

The subsidiaries of Crédit Agricole S.A. 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 S.A. Group.

Legal constraints

The subsidiaries of Crédit Agricole S.A. 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 S.A. Group are held for the benefit of policyholders. Assets of the insurance subsidiaries of Crédit Agricole S.A. 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 S.A.

Refer to the glossary page 647 for the definition of the technical terms.

13.2 SCOPE OF CONSOLIDATION

Crédit Agricole S.A. 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	22.8	22.8
AMUNDI	■		France		S	68.6	68.6	68.4	68.4
AMUNDI (UK) Ltd.	■		United Kingdom		S	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT	■		France		S	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT AGENCIA EN CHILE	■	E2	Chile		B	100.0		68.4	
AMUNDI ASSET MANAGEMENT BELGIUM	■		Belgium		B	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT DUBAI (OFF SHORE) BRANCH	■		United Arab Emirates		B	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT HONG KONG BRANCH	■		Hong Kong		B	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT LONDON BRANCH	■		United Kingdom		B	100.0	100.0	68.4	68.4
AMUNDI ASSET MANAGEMENT MEXICO BRANCH	■	E2	Mexico		B	100.0		68.4	
AMUNDI ASSET MANAGEMENT NEDERLAND	■		Netherlands		B	100.0	100.0	68.4	68.4
Amundi Asset Management S.A.I S.A.	■		Romania		S	100.0	100.0	68.4	68.4
Amundi Austria GmbH	■		Austria		S	100.0	100.0	68.4	68.4
Amundi Czech Republic Asset Management Bratislava Branch	■		Slovakia		B	100.0	100.0	68.4	68.4
Amundi Czech Republic Asset Management Sofia Branch	■		Bulgaria		B	100.0	100.0	68.4	68.4
Amundi Czech Republic Asset Management, A.S.	■		Czech Republic		S	100.0	100.0	68.4	68.4
Amundi Czech Republic, Investicni Spolecnost, A.S.	■		Czech Republic		S	100.0	100.0	68.4	68.4
Amundi Deutschland GmbH	■		Germany		S	100.0	100.0	68.4	68.4
AMUNDI Finance	■		France		S	100.0	100.0	68.4	68.4
AMUNDI Finance Emissions	■		France		S	100.0	100.0	68.4	68.4
AMUNDI GLOBAL SERVICING	■		Luxembourg		S	100.0	100.0	68.4	68.4
AMUNDI Hellas MFMC S.A.	■		Greece		S	100.0	100.0	68.4	68.4
AMUNDI Hong Kong Ltd.	■		Hong Kong		S	100.0	100.0	68.4	68.4
AMUNDI Iberia S.G.I.I.C S.A.	■		Spain		S	100.0	100.0	68.4	68.4
AMUNDI Immobilier	■		France		S	100.0	100.0	68.4	68.4
AMUNDI India Holding	■		France		S	100.0	100.0	68.4	68.4
AMUNDI Intermédiation	■		France		S	100.0	100.0	68.4	68.4
Amundi Intermédiation Asia PTE Ltd	■		Singapore		S	100.0	100.0	68.4	68.4
Amundi Intermédiation Dublin Branch	■		Ireland		B	100.0	100.0	68.4	68.4
Amundi Intermédiation London Branch	■		United Kingdom		B	100.0	100.0	68.4	68.4
Amundi Investment Fund Management Private Limited Company	■		Hungary		S	100.0	100.0	68.4	68.4
Amundi Ireland Ltd	■		Ireland		S	100.0	100.0	68.4	68.4
Amundi Ireland Ltd London Branch	■	S1	United Kingdom		B		100.0		68.4
Amundi Ireland Ltd Singapore Branch	■	S1	Singapore		B		100.0		68.4
AMUNDI Issuance	■		France		S	100.0	100.0	68.4	68.4
AMUNDI Japan	■		Japan		S	100.0	100.0	68.4	68.4
AMUNDI Japan Holding	■		Japan		S	100.0	100.0	68.4	68.4
Amundi Luxembourg S.A.	■		Luxembourg		S	100.0	100.0	68.4	68.4
AMUNDI Malaysia Sdn Bhd	■		Malaysia		S	100.0	100.0	68.4	68.4
Amundi Pioneer Asset Management Inc	■		United States		S	100.0	100.0	68.4	68.4
Amundi Pioneer Asset Management USA Inc	■		United States		S	100.0	100.0	68.4	68.4
Amundi Pioneer Distributor Inc	■		United States		S	100.0	100.0	68.4	68.4
Amundi Pioneer Institutional Asset Management Inc	■		United States		S	100.0	100.0	68.4	68.4
AMUNDI Polska	■		Poland		S	100.0	100.0	68.4	68.4
AMUNDI Private Equity Funds	■		France		S	100.0	100.0	68.4	68.4
AMUNDI Real Estate Italia SGR S.p.A.	■		Italy		S	100.0	100.0	68.4	68.4
AMUNDI SGR S.p.A.	■		Italy		S	100.0	100.0	68.4	68.4
AMUNDI Singapore Ltd.	■		Singapore		S	100.0	100.0	68.4	68.4
AMUNDI Suisse	■		Switzerland		S	100.0	100.0	68.4	68.4
Amundi Taïwan Limited	■	E3	Taiwan		S	100.0		68.4	
AMUNDI Tenue de Comptes	■		France		S	100.0	100.0	68.4	68.4
AMUNDI USA Inc	■		United States		S	100.0	100.0	68.4	68.4
AMUNDI Ventures	■		France		S	100.0	100.0	68.4	68.4
BFT INVESTMENT MANAGERS	■		France		S	100.0	100.0	68.4	68.4
CA Indosuez (Suisse) S.A. Hong Kong Branch	■		Hong Kong	Switzerland	B	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Singapore Branch	■		Singapore	Switzerland	B	100.0	100.0	97.8	97.8
CA Indosuez (Suisse) S.A. Switzerland Branch	■		Switzerland		B	100.0	100.0	97.8	97.8
CA Indosuez (Switzerland) S.A.	■		Switzerland		S	100.0	100.0	97.8	97.8
CA Indosuez Finanziaria S.A.	■		Switzerland		S	100.0	100.0	97.8	97.8
CA Indosuez Gestion	■		France		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Brazil) S.A. DTVM	■		Brazil		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe)	■		Luxembourg		S	100.0	100.0	97.8	97.8

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. 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) Belgium Branch	■		Belgium	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Italy Branch	■		Italy	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Europe) Spain Branch	■		Spain	Luxembourg	B	100.0	100.0	97.8	97.8
CA Indosuez Wealth (France)	■		France		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth (Group)	■		France		S	100.0	100.0	97.8	97.8
CA Indosuez Wealth Italy S.P.A.	■	D1	Italy		S	100.0	94.2	97.8	92.0
CFM Indosuez Conseil en Investissement	■		France		S	70.2	70.1	67.5	67.4
CFM Indosuez Conseil en Investissement, Succursale de Noumea	■		France		B	70.2	70.1	67.5	67.4
CFM Indosuez Gestion	■		Monaco		S	70.2	70.1	66.1	66.1
CFM Indosuez Wealth	■		Monaco		S	70.2	70.1	67.5	67.4
CPR AM	■		France		S	100.0	100.0	68.4	68.4
Etoile Gestion	■		France		S	100.0	100.0	68.4	68.4
Fund Channel	▲		Luxembourg		JV	50.0	50.0	34.3	34.2
Fund Channel Singapore Branch	▲		Singapore	Luxembourg	JV	50.0	50.0	34.2	34.3
KBI Fund Managers Limited	■		Ireland		S	87.5	87.5	68.4	68.4
KBI Global Investors (North America) Limited	■		Ireland		S	87.5	87.5	68.4	68.4
KBI Global Investors Limited	■		Ireland		S	87.5	87.5	68.4	68.4
LCL Emissions	■		France		S	100.0	100.0	68.4	68.4
NH-AMUNDI ASSET MANAGEMENT	▲		South Korea		A	30.0	30.0	20.5	20.5
Pioneer Global Investments (Taiwan) LTD	■	S4	Taiwan		S		100.0		68.4
Pioneer Global Investments LTD	■	S4	Ireland		S		100.0		68.4
Pioneer Global Investments LTD Buenos Aires Branch	■		Argentina		B	100.0	100.0	68.4	68.4
Pioneer Global Investments LTD Jelling Branch	■	S1	Denmark		B		100.0		68.4
Pioneer Global Investments LTD London Branch	■	S4	United Kingdom		B		100.0		68.4
Pioneer Global Investments LTD Madrid Branch	■	S4	Spain		B		100.0		68.4
Pioneer Global Investments LTD Mexico city Branch	■		Mexico		B	100.0	100.0	68.4	68.4
Pioneer Global Investments LTD Paris Branch	■	S1	France		B		100.0		68.4
Pioneer Global Investments LTD Santiago Branch	■	S1	Chile		B		100.0		68.4
Société Générale Gestion (S2G)	■		France		S	100.0	100.0	68.4	68.4
Investment companies									
State Bank of India Fund Management	▲		India		A	37.0	37.0	25.3	25.3
TOBAM	▲	S2	France		A		4.1		13.7
TOBAM HOLDING COMPANY	▲	S2	France		A		25.6		17.5
Vanderbilt Capital Advisors LLC	■		United States		S	100.0	100.0	68.4	68.4
WAFA Gestion	▲		Morocco		A	34.0	34.0	23.3	23.3
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	99.9
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		68.4
ACAJOU	■		France		CSE	100.0	100.0	68.4	68.4
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	68.4	68.4
APLEGROSENIEUHD[1]	■	E1	Luxembourg		CSE	50.9		50.9	
ARTEMID[1]	■		France		CSE	100.0	100.0	100.0	100.0

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. 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
BFT CREDIT OPPORTUNITES -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	68.4	68.4
Chorial Allocation	■		France		CSE	99.7	99.7	68.2	68.2
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control		% interest	
						31/12/2019	31/12/2018	31/12/2019	31/12/2018
FCPR PREDICA SECONDAIRE I A2[1]	■		France		CSE	100.0	100.0	100.0	100.0
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	68.4	68.4
LRP – CPT JANVIER 2013 0.30 13-21 11/01A[1]	■		Luxembourg		CSE	84.2	84.2	84.2	84.2
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	66.5	66.5
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

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Crédit Agricole S.A. 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 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
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 GREEN 4.33% 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	68.4	68.4
UI CAP SANTÉ 2[1]	■		France		CSE	100.0	100.0	100.0	100.0
Unit-linked funds (Fonds UC)									
58 fonds UC dont le taux de détention est supérieur ou égal à 95%	■		France		CSE	> 95%	> 95%	> 95%	> 95%
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 CON AE(C)[1]	■		Luxembourg		CSE	58.3	54.3	58.3	54.3
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	
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. 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 EUROPE C FCP 3DEC[1]	■		France		CSE	82.4	82.1	82.4	82.1
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
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control		% interest	
						31/12/2019	31/12/2018	31/12/2019	31/12/2018
LCL AC.EMERGENTS 3D[1]	■		France		CSE	54.2	54.6	54.2	54.6
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
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
SOLIDARITE INITIATIS SANTE[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 N 4[1]	■		France		CSE	74.7	74.6	74.7	74.6
TRIANANCE 6 ANS N 9[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	68.4	68.4
OPCI Immo Emissions	■		France		CSE	100.0	100.0	68.4	68.4

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control		% interest	
						31/12/2019	31/12/2018	31/12/2019	31/12/2018
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 ST DENIS[1]	■		France		S	70.0	70.0	70.0	70.0
SCI CAMPUS RIMBAUD ST 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 FEDERALE PEREIRE VICTOIRE[1]	■		France		S	99.0	99.0	99.0	99.0
SCI FEDERALE 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 DEFENSE	▲		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

Crédit Agricole S.A. Group scope of consolidation	(1)	(a)	Principal place of business	Country of incorporation if different from the principal place of business	(b)	% control		% interest	
						31/12/2019	31/12/2018	31/12/2019	31/12/2018
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
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. 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 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
SCI PACIFICA HUGO[1]	■		France		S	100.0	100.0	100.0	100.0
SCI PORTE DES LILAS – FRERES 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	69.4	69.5
ARCAPARK SAS	▲		France		JV	50.0	50.0	50.0	50.0
Azqore	■		Switzerland		S	80.0	80.0	78.2	78.2
Azqore S.A. Singapore Branch	■		Singapore	Switzerland	B	80.0	80.0	78.2	78.2
CA Indosuez Wealth (Asset Management)	■		Luxembourg		S	100.0	100.0	97.8	97.8
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 ENERGIES 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
French Retail banking									
Banking and financial institutions									
FIMO Courtage	■	E1	France		S	100.0		94.6	
Interfimo	■		France		S	99.0	99.0	94.6	94.6
LCL	■		France		S	95.6	95.6	95.6	95.6
LCL succursale de Monaco	■		Monaco	France	B	95.6	95.6	95.6	95.6
Lease financing companies									
Investment companies									
Tourism – property development									
Angle Neuf	■		France		S	100.0	100.0	95.6	95.6

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. 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
Other									
C.L. Verwaltungs und Beteiligungsge-sellschaft GmbH	■		Germany		S	100.0	100.0	95.6	95.6
Crédit Lyonnais Développement Économique (CLDE)	■		France		S	100.0	100.0	95.6	95.6
FCT True Sale (Compartiment LCL)	■	E2	France		CSE	100.0		95.6	
International Retail banking									
Banking and financial institutions									
Arc Broker	■		Poland		S	100.0	100.0	100.0	100.0
CREDIT 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 Carispezia S.p.A.	■	S4	Italy		S		80.0		61.5
Crédit Agricole Egypt S.A.E.	■		Egypt		S	60.5	60.5	60.2	60.2
Crédit Agricole Friuladria S.p.A.	■		Italy		S	81.8	81.3	61.9	62.5
Crédit Agricole Group Solutions	■		Italy		CSE	100.0	100.0	74.4	75.2
Crédit Agricole Italia	■	D1	Italy		S	75.6	76.9	75.6	76.9
Crédit Agricole Leasing Italia	■		Italy		S	100.0	100.0	79.3	80.4
Crédit Agricole Polska S.A.	■		Poland		S	100.0	100.0	100.0	100.0
Credit Agricole Romania	■	D4	Romania		S	100.0	100.0	100.0	100.0
Credit 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	
Other									
IUB Holding	■		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	
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

Crédit Agricole S.A. 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
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

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. 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
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
Lebe 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
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 & 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
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	

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. 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
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	97.8	97.8
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 Agriciole CIB (Belgique)	■		Belgium	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (ABU DHABI)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Allemagne)	■		Germany	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Canada)	■		Canada	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Corée du Sud)	■		South Korea	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai DIFC)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Dubai)	■		United Arab Emirates	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Espagne)	■		Spain	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Etats-Unis)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Finlande)	■		Finland	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Hong-Kong)	■		Hong Kong	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Inde)	■		India	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Italie)	■		Italy	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Japon)	■		Japan	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Luxembourg)	■	S1	Luxembourg	France	B		97.8		97.8
Crédit Agricole CIB (Miami)	■		United States	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Royaume-Uni)	■		United Kingdom	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Singapour)	■		Singapour	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Suède)	■		Sweden	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB (Taipei)	■		Taiwan	France	B	97.8	97.8	97.8	97.8
Crédit Agricole CIB Algérie Bank Spa	■		Algeria		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB AO	■		Russia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Australia Ltd.	■		Australia		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB China Ltd.	■		China		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB China Ltd. Chinese Branch	■		China		B	100.0	100.0	97.8	97.8
Crédit Agricole CIB S.A.	■		France		S	97.8	97.8	97.8	97.8
Crédit Agricole CIB Services Private Ltd.	■		India		S	100.0	100.0	97.8	97.8
Ester Finance Titrisation	■		France		S	100.0	100.0	97.8	97.8
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	
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	46.0	46.0
UBAF (Corée du Sud)	▲		South Korea	France	JV	47.0	47.0	46.0	46.0
UBAF (Japon)	▲		Japan	France	JV	47.0	47.0	46.0	46.0
UBAF (Singapour)	▲		Singapore	France	JV	47.0	47.0	46.0	46.0
Stockbrokers									
Credit Agricole Securities (Asia) Limited Hong Kong	■		Hong Kong		S	100.0	100.0	97.8	97.8
Credit Agricole Securities (Asia) Limited Seoul Branch	■		South Korea		B	100.0	100.0	97.8	97.8

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A. 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 Securities (USA) Inc	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV (Tokyo)	■		Japan	Netherlands	B	100.0	100.0	97.8	97.8
Investment companies									
Compagnie Française de l'Asie (CFA)	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Air Finance S.A.	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Holdings Ltd.	■		United Kingdom		S	100.0	100.0	97.8	97.8
Crédit Agricole Global Partners Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Securities Asia BV	■		Netherlands		S	100.0	100.0	97.8	97.8
Doumer Finance S.A.S.	■		France		S	100.0	100.0	97.8	97.8
Fininvest	■		France		S	98.3	98.3	96.1	96.1
Fletirec	■		France		S	100.0	100.0	97.8	97.8
I.P.F.O.	■	S3	France		S		100.0		97.8
Insurance									
CAIRS Assurance S.A.	■		France		S	100.0	100.0	97.8	97.8
Other									
Atlantic Asset Securitization LLC	■		United States		CSE	100.0	100.0	-	-
Benelpart	■		Belgium		S	100.0	100.0	95.3	95.3
Calixis Finance	■		France		CSE	100.0	100.0	97.8	97.8
Calliope SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Clifap	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole America Services Inc.	■		United States		S	100.0	100.0	97.8	97.8
Crédit Agricole Asia Shipfinance Ltd.	■		Hong Kong		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Finance (Guernsey) Ltd.	■		Guernsey		CSE	99.9	99.9	97.7	97.7
Crédit Agricole CIB Finance Luxembourg S.A.	■	E1	Luxembourg		CSE	100.0		97.8	
Crédit Agricole CIB Financial Prod. (Guernesey) Ltd.	■	S3	Guernsey		CSE		99.9		97.7
Crédit Agricole CIB Financial Solutions	■		France		CSE	99.9	99.9	97.7	97.7
Crédit Agricole CIB Global Banking	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole CIB Pension Limited Partnership	■		United Kingdom		CSE	100.0	100.0	97.8	97.8
Crédit Agricole CIB Transactions	■		France		S	100.0	100.0	97.8	97.8
Crédit Agricole Leasing (USA) Corp.	■		United States		S	100.0	100.0	97.8	97.8
DGAD International SARL	■		Luxembourg		S	100.0	100.0	97.8	97.8
Elipso Finance S.r.l	▲		Italy		SJV	50.0	50.0	48.9	48.9
ESNI (compartiment Crédit Agricole CIB)	■		France		CSE	100.0	100.0	97.8	97.8
Eucalyptus FCT	■		France		CSE	100.0	100.0	-	-
FCT CFN DIH	■	E3	France		CSE	100.0		-	
FIC-FIDC	■		Brazil		CSE	100.0	100.0	97.8	97.8
Financière des Scarabées	■		Belgium		S	100.0	100.0	96.5	96.5
Financière Lumis	■		France		S	100.0	100.0	97.8	97.8
Fundo A de Investimento Multimercado	■		Brazil		CSE	100.0	100.0	97.8	97.8
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		97.8
Indosuez Management Luxembourg II	■	S3	Luxembourg		CSE		100.0		97.8
Investor Service House S.A.	■		Luxembourg		S	100.0	100.0	69.5	100.0
Island Refinancing SRL	■	S2	Italy		CSE		100.0		97.8
ItalAsset Finance SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
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	95.6	95.6
LMA S.A.	■		France		CSE	100.0	100.0	-	-
Merisma	■		France		CSE	100.0	100.0	97.8	97.8
Molinier Finances	■		France		S	100.0	100.0	95.0	95.0
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	95.3	95.3
Sagrantino Italy SRL	■		Italy		CSE	100.0	100.0	97.8	97.8
Shark FCC	■		France		CSE	100.0	100.0	-	-
Sinefinair B.V.	■	E1	Netherlands		S	100.0		97.8	
SNGI	■		France		S	100.0	100.0	97.8	97.8
SNGI Belgium	■		Belgium		S	100.0	100.0	97.8	97.8
Sococlabecq	■		Belgium		S	100.0	100.0	95.6	95.6
Sofipac	■		Belgium		S	98.6	98.6	93.9	93.9
Sufinair B.V.	■	E1	Netherlands		S	100.0		97.8	
TCB	■		France		S	98.7	98.7	95.3	95.3
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 Credit 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		S	99.9	99.9	49.9	99.9

(1) Consolidation Method: ■ Full ▲ Equity Accounted ● Parent

Crédit Agricole S.A. 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
CL Développement de la Corse	■		France		S	99.9	99.9	99.9	99.9
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
Investment companies									
Crédit Agricole Capital Investissement & Finance (CACIF)	■		France		S	100.0	100.0	100.0	100.0
Delfinances	■		France		CSE	100.0	100.0	100.0	100.0
Sodica	■		France		S	100.0	100.0	100.0	100.0
Other									
CA Grands Crus	■		France		S	77.9	77.9	77.9	77.9
Cariou Holding	■		France		S	50.0	50.0	50.0	50.0
Crédit Agricole – Group Infrastructure Platform	▲	E2	France		JV	57.7		53.7	
Crédit Agricole Agriculture	■		France		S	100.0	100.0	100.0	100.0
Crédit Agricole Immobilier	▲		France		JV	50.0	50.0	50.0	50.0
Crédit Agricole Payment Services	■		France		CSE	50.2	50.2	50.3	50.2
Crédit Agricole Public Sector SCF	■		France		CSE	100.0	100.0	100.0	100.0
Crédit Agricole Régions Développement	■		France		S	75.7	77.3	75.7	77.3
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	49.9	99.9
FCT Crédit Agricole Habitat 2017 Compartiment Corse	■		France		CSE	100.0	100.0	99.9	99.9
FCT Crédit Agricole Habitat 2018 Compartiment Corse	■		France		CSE	100.0	100.0	99.9	99.9
FCT Crédit Agricole Habitat 2019 Compartiment Corse	■	E2	France		CSE	100.0		99.9	
FIRECA	■		France		S	51.0	51.0	51.0	51.0
Grands Crus Investissements (GCI)	■	E1	France		S	52.1		52.1	
IDIA	■		France		S	100.0	100.0	100.0	100.0
IDIA DEVELOPPEMENT	■		France		S	100.0	100.0	100.0	100.0
IDIA PARTICIPATIONS	■		France		S	100.0	100.0	100.0	100.0
S.A.S. Evergreen Montrouge	■		France		CSE	100.0	100.0	100.0	100.0
SCI D2 CAM	▲		France		JV	50.0	50.0	50.0	50.0
SCI Quentyvel	■		France		S	100.0	100.0	100.0	100.0
SILCA	■	S4	France		CSE		100.0		97.9
SNC Kalliste Assur	■		France		S	100.0	100.0	49.9	99.9
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		JV	50.0	50.0	50.0	50.0
Crédit Agricole Immobilier Services	▲		France		JV	50.0	50.0	50.0	50.0
SO.GI.CO	▲		France		JV	50.0	50.0	50.0	50.0

(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

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

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 14 Investments in non-consolidated companies and structured entities

14.1 INFORMATION ON SUBSIDIARIES

This line item amounted to €13,256 million at 31 December 2019, compared with €12,170 million at 31 December 2018. At 31 December 2018, 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 S.A. 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 S.A. website at the time of publication of the Universal Registration Document.

14.2 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 S.A. 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 S.A. 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 S.A. 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 S.A. 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 S.A. Group, via 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 S.A. Group sponsors structured entities in the following instances:

- Crédit Agricole S.A. 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 S.A. Group and it is the main user thereof;
- Crédit Agricole S.A. Group transfers its own assets to the structured entity;
- Crédit Agricole S.A. Group is the manager;
- the name of a subsidiary or of the parent company of Crédit Agricole S.A. 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 commissions 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 €-2 millions and for Crédit Agricole CIB €1.4 million at 31 December 2018.

Information on the risks related to interests

Financial support for structured entities

In 2019, Crédit Agricole S.A. did not provide financial support to any non-consolidated structured entities.

At 31 December 2019, Crédit Agricole S.A. did not intend to provide financial support to any non-consolidated structured entities.

Interests in non-consolidated structured entities by type of activities

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 Credit Agricole internal transactions)	-	1,551	-	1,551
Guarantee commitments (excluding Credit 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.

Refer to the glossary page 647 for the definition of the technical terms.

											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	45,705	45,705	-	45,583	20	20	-	20
-	-	-	-	1	1	-	1	-	-	-	-
-	-	-	-	-	-	-	-	2,261	2,261	-	2,261
1,898	**1,898**	**-**	**1,898**	**45,706**	**45,706**	**-**	**45,584**	**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	**-**	**-**	**-**	**328,635**	**-**	**-**	**-**	**2,262**	**-**	**-**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

	31/12/2018			
	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	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.

Refer to the glossary page 647 for the definition of the technical terms.

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	33,254	33,254	-	33,151	35	35	-	35
-	-	-	-	1	1	-	1	12	12	-	12
-	-	-	-	-	-	-	-	2,346	2,346	-	2,346
2,101	**2,101**	**-**	**2,101**	**33,254**	**33,254**	**-**	**33,152**	**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	**-**	**-**	**-**	**297,806**	**-**	**-**	**-**	**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 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 has no impact on the results nor on the solvency ratios of Crédit Agricole Group.

15.2 AMUNDI AQUISITION OF SABADELL ASSET MANAGEMENT

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.

Refer to the glossary page 647 for the definition of the technical terms.

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 SA for the year ended December 31, 2019.

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 non-audit 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 SA 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: ■ 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 non-recovery 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, the value adjustments for expected losses related to all eligible financial loans amounted to € 10,7 billion, including: ■ € 2,7 billion of value adjustments of performing and underperforming loans (€ 1,1 billion for B1 and € 1,6 billion for B2); ■ € 8 billion of value adjustments 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 impairment 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 particular 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 € 15,3 billion, including € 4,2 billion related to French retail banking – LCL (after an impairment of € 611 million recorded in 2019), € 1,7 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 sub-groups 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/LBIOR 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 6.10 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.

Refer to the glossary page 647 for the definition of the technical terms.

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 SA 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, in particular regarding: ▪ Defining the observability cartography of the valuation parameters, in particular the identification of parameters that are not supported by observable market data; ▪ the use of internal and non-standard 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 structured issues are recorded in the balance sheet of the Crédit Agricole SA 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 €1.9 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 SA 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 €354.5 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 provision 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, in particular, 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

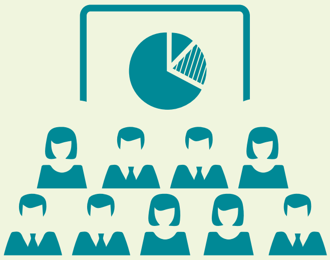
Refer to the glossary page 647 for the definition of the technical terms.

7 PARENT COMPAGNY FINANCIAL STATEMENTS

Refer to the glossary page 647 for the definition of the technical terms.

Key figures

NET INCOME



€2,016m

Revenues

€1,501m

TOTAL ASSETS

€616,235m

Crédit Agricole **internal transactions** (assets)

€336,348m

Financial **investments**

€64,284m

Equity (excluding FGBR)

€50,346m

Refer to the glossary page 647 for the definition of the technical terms.

PARENT COMPANY FINANCIAL STATEMENTS AT 31 DECEMBER 2019

Approved by the Board of Directors of Crédit Agricole S.A. on 13 February 2020 and submitted for the approval of the Ordinary General Meeting of 13 May 2020

BALANCE SHEET AT 31 DECEMBER 2019

Assets

(in millions of euros)	Notes	31/12/2019	31/12/2018
Money market and interbank items		**155,186**	**147,976**
Cash, Central banks		8,312	8,306
Treasury bills and similar securities	5	14,867	14,863
Loans and receivables due from credit institutions	3	132,007	124,807
Crédit Agricole internal transactions	**3**	**336,348**	**314,865**
Loans and receivables due from customers	**4**	**4,439**	**3,997**
Securities transactions		**37,734**	**32,775**
Bonds and other fixed Income securities	5	37,688	32,768
Equities and other variable income securities	5	46	7
Fixed assets		**64,413**	**64,728**
Equity investments and other long-term securities	6-7	950	878
Investments in subsidiaries and affiliates	6-7	63,334	63,719
Intangible assets	7	17	18
Property, plant and equipment	7	112	113
Due from shareholders – unpaid capital		**-**	**-**
Treasury shares	**8**	**6**	**41**
Accruals, prepayments and sundry assets		**18,109**	**18,852**
Other assets	9	5,581	5,828
Accruals and deferred income	9	12,528	13,024
TOTAL ASSETS		**616,235**	**583,234**

Refer to the glossary page 647 for the definition of the technical terms.

Liabilities and equity

(in millions of euros)	Notes	31/12/2019	31/12/2018
Money market and interbank items		**92,565**	**90,959**
Central banks		12	7
Due to credit institutions	11	92,553	90,952
Crédit Agricole internal transactions	**11**	**41,253**	**34,798**
Due to customers	**12**	**261,032**	**249,555**
Debt securities	**13**	**118,946**	**108,489**
Accruals, deferred income and sundry liabilities		**25,791**	**20,773**
Other liabilities	14	11,729	7,382
Accruals and deferred income	14	14,062	13,391
Provisions and subordinated debt		**25,108**	**27,349**
Provisions	15-16-17	1,386	2,302
Subordinated debt	19	23,722	25,047
Fund for General Banking Risk (FGBR)	**18**	**1,194**	**1,152**
Equity excluding FGBR	**20**	**50,346**	**50,159**
Share capital		8,654	8,599
Share premiums		12,470	12,375
Reserves		12,597	12,591
Revaluation adjustments		-	-
Regulated provisions and investment subsidies		12	15
Retained earnings		14,597	13,839
Net income/(loss) for the financial year		2,016	2,740
TOTAL LIABILITIES AND EQUITY		**616,235**	**583,234**

OFF-BALANCE SHEET AT 31 DECEMBER 2019

(in millions of euros)	Notes	31/12/2019	31/12/2018
Commitments given		**21,827**	**22,515**
Financing commitments	27	5,296	5,115
Guarantee commitments	27	16,521	17,369
Securities commitments	27	10	31
Commitments received		**77,944**	**73,112**
Financing commitments	27	65,744	60,820
Guarantee commitments	27	12,200	12,272
Securities commitments	27	-	20

Refer to the glossary page 647 for the definition of the technical terms.

INCOME STATEMENT AT 31 DECEMBER 2019

(in millions of euros)	Notes	31/12/2019	31/12/2018
Interest and similar income	28	9,698	10,113
Interest and similar expenses	28	(11,261)	(11,411)
Income from variable income securities	29	2,712	3,860
Fee and commission income	30	972	903
Fee and commission expenses	30	(596)	(648)
Net gains (losses) on trading book	31	(26)	(105)
Net gains (losses) on short-term investment portfolios and similar	32	15	175
Other banking income	33	39	192
Other banking expenses	33	(52)	(171)
Revenues (NBI)		**1,501**	**2,908**
Operating expenses	34	(778)	(737)
Depreciation, amortisation and impairment of property, plant & equipment and intangible assets		(7)	(10)
Gross operating income		**716**	**2,161**
Cost of risk	35	(13)	(9)
Operating income		**703**	**2,152**
Net gains (losses) on fixed assets	36	(292)	(10)
Pre-tax income on ordinary activities		**411**	**2,142**
Net extraordinary items		-	-
Income tax charge	37	1,644	638
Net allocation to FGBR and regulated provisions		(39)	(40)
NET INCOME FOR THE FINANCIAL YEAR		**2,016**	**2,740**

Refer to the glossary page 647 for the definition of the technical terms.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 1 Legal and financial background and significant events during the financial year

1.1 LEGAL AND FINANCIAL BACKGROUND

Crédit Agricole S.A. is a French Public Limited Company *(Société Anonyme)* with a share capital of €8,654,066 thousand (i.e. 2,884,688,712 shares with a par value of €3 each).

At 31 December 2019, the share capital of Crédit Agricole S.A. broke down as follows:

- 55.90% owned by SAS Rue La Boétie;
- 44.09% free float (including employees).

In addition, Crédit Agricole S.A. had 435,000 treasury shares at 31 December 2019, i.e. 0.01% of its capital, compared with 4,378,305 treasury shares at 31 December 2018.

Crédit Agricole S.A. coordinates the activities of the Regional Banks, is responsible for exercising administrative, technical and financial control over them and has right of supervision in accordance with the French Monetary and Financial Code. By virtue of its duties as a corporate centre, as confirmed by the banking law, it is responsible for ensuring the cohesion and proper functioning of the network, as well as each Regional Bank's compliance with operating standards. It guarantees their liquidity and solvency. Moreover, in 1988, the Regional Banks granted a guarantee to third-party creditors of Crédit Agricole S.A. on a joint and several basis up to the aggregate amount of their own funds. 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.

1.2 CRÉDIT AGRICOLE INTERNAL FINANCIAL MECHANISMS

Affiliation with the Crédit Agricole network also means being part of a system of financial relationships that operates as described below:

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".

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 schemes 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".

Time deposits and advances

The Regional Banks also collect savings funds (passbook accounts, bonds, certain time accounts, warrants 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, finally, since 31 December 2001, 50% of the savings funds, which they are now free to use at their discretion.

Since 1 January 2004, the financial margins generated by the centralised management of centralised deposits (and not transferred back *via* mirror advances) are split between 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 scope 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 time 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 time 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 instrument" or as "Provisions and subordinated debt", depending on the type of securities issued.

Refer to the glossary page 647 for the definition of the technical terms.

Liquidity and solvency risks hedging

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 given very broad 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. Accordingly, Crédit Agricole S.A., as the corporate centre, 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 Regional Bank cannot be resolved individually.

Under the legal internal financial solidarity mechanism enshrined in Article L. 511-31 of the French Monetary and Financial Code (CFM), Crédit Agricole S.A. as the corporate centre 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 internal financial solidarity mechanism.

In the framework of the IPO 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 corporate centre 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 filed by Crédit Agricole S.A. 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 (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. 613-57-1 of the French Monetary and Financial Code). 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 mutual shares, CCIs and CCAs, i.e. take an impairment on their minimum value in order to absorb losses, as well as on debt instruments, i.e. decide whether to take a full or partial impairment or convert them into capital also in order to absorb losses. In this case, the investor must be aware that there is therefore a significant risk that holders of 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 bridge 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 limits the occurrence 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)

Following the simplification of the Group's structure, which resulted in the sale of the CCI/CCA interests held by Crédit Agricole S.A. to Sacam Mutualisation – a company wholly owned by the Regional Banks – Crédit Agricole S.A. no longer holds any of the Regional Banks' share capital (except for four Regional Banks for which Crédit Agricole S.A. retained a small number of CCAs for legal reasons). The transaction was thus accompanied by the signing of two supplemental agreements to the Framework Agreement governing the Switch Guarantee on 17 February 2016 (Supplemental Agreement No. 2) and 21 July 2016 (Supplemental Agreement No. 3) respectively, resulting notably in the end of the guarantee on the CCIs/CCAs.

The modified mechanism took effect on 1 July 2016 and now limits transfers to the Regional Banks to the prudential requirements relating to Crédit Agricole S.A.'s shares in Crédit Agricole Assurances (CAA) within the bounds of a contractual ceiling: now referred to as Switch Insurance.

The effectiveness of the mechanism remains secured by security deposits paid by the Regional Banks to Crédit Agricole S.A. These security deposits are calibrated to reflect Crédit Agricole S.A.'s capital savings and bear interest at a fixed rate under long-term liquidity conditions.

Accordingly, the Switch Insurance guarantees protect Crédit Agricole S.A. from a decline in the overall equity-accounted value of these equity investments, subject to payment by the Regional Banks of compensation from the security deposit. Likewise, if the equity-accounted value later recovers, Crédit Agricole S.A. may return previously paid compensation in accordance with a clawback provision.

Guarantees are recognised as off-balance sheet commitments in the same way as first demand guarantees given. Their compensation is recognised in stages in the interest margin under Revenues. In the event of a call of guarantees or following a subsequent 'return to better fortune', where applicable, the compensation payment or redemption proceeds are recognised under Cost of risk.

It is worth noting that the Switch Insurance guarantees are triggered on a half-yearly basis and are assessed on the basis of half-yearly changes in the equity-accounted value of the CAA equity investments. At each quarterly closing, the Regional Banks are required to estimate if there is a risk that compensation will be payable and to fund provisions accordingly: where a return to better fortune may or may not occur, no income will be recognised due to such uncertainty. At each half-yearly close, and if the conditions have been met, the Regional Banks recognise the effects of triggering the guarantees (call of guarantee or clawback).

1.3 SIGNIFICANT EVENTS IN 2019

Crédit Agricole Group Infrastruct Platform CA-GIP

Within the framework of its medium-term plan entitled "Strategic Ambition 2020", the Crédit Agricole Group decided to implement a new customer 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.

Thus, Crédit Agricole S.A. tendered to CA-GIP 248,000 SILCA shares held at a cost price of €24.8 million. Through the valuation of these securities in exchange it received 32,314,400 CA-GIP shares with a value of €1 as well as a capital gain of €8 million.

Following this transaction, Crédit Agricole S.A. sold 7,900,660 shares to Crédit Agricole Payment Services at par.

Goodwill impairment on LCL

During the fourth quarter of 2019, Crédit Agricole S.A. conducted the annual valuation tests of the goodwill recorded in its balance sheet for a portion of its investment portfolio. The tests are based on a comparison between carrying amount and value in use. The calculation of the value in use is based on updating the future cash flows.

Based on the test results, an impairment charge in the amount of €496 million was recorded in Crédit Agricole S.A.'s 2019 financial statements.

Buyback of zero coupon bonds exchangeable for Eurazeo shares maturing 3 October 2019

On 27 September 2016, Crédit Agricole S.A. made a bond issue of a nominal amount of €308 million represented by 4,633,042 zero coupon Bonds Exchangeable for Shares (*obligations échangeables en actions* — OEA) of Eurazeo maturing in October 2019. The bond issue was backed by 4,633,042 underlying Eurazeo shares held by Crédit Agricole S.A. representing, at the time, approximately 6.4% of the capital of Eurazeo.

On 6 June 2017, Crédit Agricole S.A. sold all the Eurazeo shares it held representing 15.42% of the company's capital to JCDecaux Holding.

No longer holding any of those shares in its assets, Crédit Agricole S.A., put in place a mechanism enabling it to offset the impact of the fluctuations in the price of Eurazeo shares backing the exchangeable bonds issued in September 2016.

During 2019, 2,632,496 bonds representing an outstanding amount of €175 million were the subject of an exchange request by investors generating a loss of €25 million, fully covered by the offsetting mechanism.

On 3 October 2019, the Eurazeo OEAs matured, settling the remaining outstanding amount of €133 million.

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. Some 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.

Additional Tier 1 (AT1) issues

Crédit Agricole S.A. aims to optimize its capital structure by maintaining its Additional Tier 1 (AT1) compartment at 1.5% of risk weighted assets at the Crédit Agricole S.A.'s level. In this context, on 20 February 2019, Crédit Agricole S.A. took advantage of favourable market conditions and issued its first AT1 bonds since January 2016.

This US$1.25 billion transaction at a fixed annual rate of 6.875% until the first optional early redemption date of 23 September 2024 was subscribed by institutional investors in Europe, the United States and Asia.

The new bonds were issued to allow Crédit Agricole greater flexibility in the management of its Tier 1 capital.

At the same time, on 23 September 2019, the call date, Crédit Agricole S.A. repaid the Additional Tier 1 super-subordinated bond issued on 18 September 2014 for US$1.25 billion at a fixed rate of 6.625%.

Panda issue

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.

Refer to the glossary page 647 for the definition of the technical terms.

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.

Both the issuer, Crédit Agricole S.A., and the issue were awarded the AAA rating by the Chinese rating agency China Chengxin International Credit Rating.

Tax litigation on Emporiki securities

Following the hearing on 15 May 2019 at the *Conseil d'État* (Council of State) of 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 (*Autorité des normes comptables* — ANC) to rule 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 the 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 impairment of the Emporiki securities recognised in 2012;
- €83 million in provisions associated with the deductibility of the capital loss on Emporiki securities recognised 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 Crédit Agricole S.A. financial statements of 31 December 2019:

- the €312 million receivable that Crédit Agricole S.A had recorded in 2017 as part of the adjustment to the loss recorded on securities issued in 2013 was repaid to it without impact on the income statement;
- the default interest of €28.7 million net paid by the tax authorities generated a profit in the income statement.

As of 31 December 2019, the entire litigation of this case was thus closed.

1.4 EVENTS AFTER FINANCIAL YEAR 2019

Unwinding of 35% of the "Switch" guarantee mechanism

On 2 March 2020, Crédit Agricole S.A. will unwind 35% of the "Switch" guarantee mechanism in place between the Regional Banks and Crédit Agricole S.A.

For Crédit Agricole S.A., the transaction will have as a result a €3,208 million decline in the commitments received from the Regional Banks and a €1,086 million decrease in security deposits.

Cheque Image Exchange litigation

In its ruling handed down on 21 December 2017, the Paris Court of Appeal upheld the decision of the French Competition Authority (*Autorité de la concurrence* — ADLC), which in 2010 had fined the main French banks for colluding to fix the prices and terms for clearing cheques. The penalty for Crédit Agricole S.A. totalled €38.3 million recognised in Revenues in financial year 2017.

As well as the other banks parties to the proceedings, LCL and Crédit Agricole had filed an appeal with the Supreme Court.

On 29 January 2020, the French Supreme Court *(Cour de cassation)* invalidated the decision of the Paris Court of Appeal. The Supreme Court also remanded the case to the Paris Court of Appeal with a change in the court's composition.

This decision has no accounting consequences for financial year 2019.

NOTE 2 Accounting policies and principles

Crédit Agricole S.A. prepares its financial statements in accordance with the accounting principles applicable to banks in France.

The presentation of the financial statements of Crédit Agricole S.A. complies with the provisions of ANC Regulation 2014-07 of 26 November 2014, which, for financial years beginning on or after 1 January 2015, combines in a single regulation, on the basis of established law, all accounting standards applicable to credit institutions.

Changes in accounting policies and the presentation of the financial statements compared with the previous financial year relate to the following:

Regulations	Date published by the French government	Date of first-time application: financial years from	Applicable within Crédit Agricole S.A.
ANC Regulation 2018-02 amending ANC Regulation 2014-03 regarding the recognition of withholding tax	6 July 2018	1 January 2019	Yes

2.1 LOANS AND FINANCING COMMITMENTS

Loans and receivables to credit institutions, the Crédit Agricole Group entities and customers are governed by Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014.

They are presented according to their residual maturity or their nature:

- demand and time deposits for credit institutions;
- current accounts, term loans and advances for Crédit Agricole internal transactions;
- trade receivables, other facilities and ordinary accounts for customers.

In accordance with regulations, the customers category also includes transactions with financial customers.

Subordinated loans and repurchase agreements (represented by certificates or securities) are included under the various categories of loans and receivables according to counterparty type (interbank, Crédit Agricole, customers).

Loans are recorded on the balance sheet at face value.

Pursuant to Article 2131-1 of ANC Regulation 2014-07 of 26 November 2014, the fees and commissions received, and the marginal transaction costs borne are deferred over the effective term of the loan and are thus included in the outstanding amount of the relevant loan.

Accrued interest on loans is recognised on the balance sheet under accrued interest and taken to profit or loss.

Financing commitments recognised off-balance sheet represent irrevocable commitments to cash advances and guarantee commitments that have not resulted in fund movements.

The application of ANC Regulation 2014-07 of 26 November 2014 led Crédit Agricole S.A. to recognise loans with a risk of non-payment in accordance with the rules set out in the following paragraphs.

The use of external and/or internal ratings systems helps assess the level of credit risk.

Loans and financing commitments are divided into performing and doubtful loans.

Performing loans

So long as loans are not classified as doubtful, they are classified as either performing or underperforming and remain as initially classified.

Provisions for credit risk on performing and underperforming loans

For the credit risk exposures, Crédit Agricole S.A. recognises, on the liabilities side of its balance sheet, provisions for expected credit losses for the coming twelve months (exposures classified as performing) and/or over the life of the financial instrument whenever the credit quality of the exposure has declined significantly (exposures classified as impaired).

These provisions are determined as part of a specific monitoring process and are based on estimates reflecting changes in the level of expected credit loss.

The concept of Expected Credit Loss

Expected Credit Loss (ECL) represents the present value of the difference between the contractual cash flows and the expected cash flows (including principal and interest).

The ECL approach aims to recognise expected credit losses at the earliest possible opportunity.

Governance and measurement of ECL

The governance of the measurement system of provisioning parameters is based on the structures put in place for the Basel system. The Crédit Agricole Group Risk Management department is responsible for defining the methodological framework and for supervising the loan provisioning system.

The Crédit Agricole Group primarily relies on the internal rating system and current Basel processes to generate the parameters needed to calculate the ECL. The assessment of changes in credit risk relies on a model for loss anticipation and extrapolation on the basis of reasonable scenarios. All available, relevant, reasonable and documentable information, including forward-looking information, must be used.

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 when existent, but with adjustments to determine an economic ECL.

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).

The manner in which ECL is calculated should be assessed on the basis of the type of products: loans and receivables due from customers and financing commitments.

12-month loan losses are a portion of the lifetime expected credit losses, and they represent lifetime cash flow shortfalls in the event of a default within 12 months from the end of the reporting period (or a shorter period if the expected life of the exposure is less than 12 months), weighted for the probability of default.

Expected credit losses are discounted at the effective interest rate determined upon initial recognition of the loan.

Provisioning parameters are measured and updated using the methodologies defined by the Crédit Agricole Group and thereby establishing a first reference level, or shared base, for provisioning.

Backtesting of the models and parameters used is done at least annually.

The forward looking macro-economic data are factored into a methodological framework that is applicable at two levels:

- at the Crédit Agricole Group level, in determining a shared framework for factoring in forward looking inputs when projecting the LD and LGD parameters over the repayment horizon of transactions;
- at each entity's level, in terms of its own portfolios. Crédit Agricole S.A. applies additional forward looking parameters to the performing and underperforming loans and receivables due from customers and financial commitments portfolios that are exposed to additional losses not covered in the scenarios defined at the Group level due to the local economic and/or structural factors.

Significant deterioration in credit risk

Crédit Agricole S.A. assesses, for each loan, the deterioration in credit risk since origination to each period-end. Based on this assessment of the change in credit risk, the entities must classify their exposure into different risk categories. Relative deterioration must be assessed prior to the occurrence of a known default (doubtful loan).

Refer to the glossary page 647 for the definition of the technical terms.

To assess significant deterioration, the Crédit Agricole 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 specific to each entity and linked to an expert assessment, based on additional forward looking parameters exposing it to additional losses not covered in the scenarios defined at the Group level through local economic and/or structural factors, of the risk held by each entity in its portfolios that may lead to an adjustment in the Group's performing to underperforming reclassification criteria (switching a portfolio or sub-portfolio to ECL at maturity).

Each loan is, subject to exceptions, assessed for significant deterioration. Contagion is not required for the downgrading of same-counterparty loans from performing to underperforming. The monitoring of significant deterioration must look at changes in the credit risk of the main debtor without regard to guarantees, including transactions that are guaranteed by the shareholder.

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 loan. For financing and guarantee commitments, origination means the date on which an irrevocable commitment was made.

In the absence of an internal rating model, the Crédit Agricole Group uses the absolute threshold of non-payment for over 30 days as the maximum threshold for significant deterioration and classification as underperforming loan.

For loans measured based on an internal rating systems (in particular exposures monitored by an advanced approach), the Crédit Agricole Group considers that all of the information incorporated into such rating systems allows for a more relevant assessment than just the non-payment for over 30 days criterion.

If deterioration since origination is no longer observed, the provision may be reduced to 12-month expected credit losses (reclassification to performing loans).

Where certain significant deterioration factors or indicators may not be identifiable at the level of a loan by itself, the assessment of significant deterioration is made at the level of portfolios, groups of portfolios or parts of outstanding portfolios.

Portfolios can be created for the collective assessment of deterioration for instruments that share common characteristics, such as:

- type of loan;
- credit risk rating (including internal Basel II rating for entities with an internal ratings system);
- type of collateral;
- date of initial recognition;
- remaining term until maturity;
- business sector;
- geographic 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 loans for the purpose of collective credit risk assessment may change over time, as new information becomes available.

Increases and reversals of provisions for credit risk on performing and underperforming loans are recognised under cost of risk.

Doubtful loans

These are loans of all types, including collateralised, with an identified credit risk corresponding to one or more of the following situations:

- there are one or more non-payments for at least three months;
- a counterparty's position is such that quite apart from any non-payment, an identified risk can be assumed to exist;
- the credit institution and its counterparty are involved in litigation.

In the case of overdrafts, the age of the non-payment is calculated from the moment the debtor exceeded an authorised limit of which such debtor was made aware by the institution or was notified that the overdraft exceeds a limit set by the institution as part of its internal control system or that the debtor drew down sums without an overdraft facility.

Subject to conditions, instead of the aforementioned criteria, the institution may start counting the age of non-payment from when the institution has asked the debtor to repay the overdraft in part of in full.

Crédit Agricole S.A. makes a distinction between doubtful loans and irrecoverable loans:

- doubtful loans:

  all doubtful loans that do not fall into the irrecoverable loans category are classified as doubtful loans;
- irrecoverable loans:

  loans for which the prospects of recovery are highly impaired and that are likely to be written off over time.

Interest continues to accrue on doubtful loans but no longer accrues once the loan is classified as irrecoverable.

Classification as doubtful loans may be abandoned when the identified credit risk has been permanently lifted and when payments have regularly resumed for amounts corresponding to the original contractual schedule. In this case, the outstanding amount is reclassified under performing loans.

Impairment resulting from credit risk on doubtful loans

Once a loan is doubtful, the likely loss is recognised by Crédit Agricole S.A. by means of impairment losses deducted from the asset on the balance sheet. This impairment represents the difference between the carrying amount of the loan and the estimated future flows discounted at the effective interest rate, having regard to the financial position of the counterparty, its economic outlook as well as any guarantees net of the cost of realising them.

Probable losses in respect of off-balance sheet commitments are covered by provisions recognised as liabilities.

Loans and receivables provided by Crédit Agricole S.A. to the Regional Banks do not represent a direct risk for Crédit Agricole S.A. with respect to the corresponding customer loans made by the Regional Banks. They do, however, represent a potential indirect risk with respect to the financial strength of the Regional Banks. Crédit Agricole S.A. has not made any provisions for such loans and receivables to the Regional Banks.

Accounting treatment of impairments

Impairment losses and reversals for non-recovery of doubtful loans are recognised under cost of risk.

In accordance with Article 2231-3 of ANC Regulation 2014-07, the Group elected to recognise the increase in the carrying amount resulting from the reversal of impairment due to the passage of time under cost of risk.

Write-offs

Decisions as to when to apply a write-off are taken on the basis of expert opinion. Crédit Agricole S.A. makes such determinations in conjunction with its Risk Management department, according to its business knowledge.

Loans that become irrecoverable are written off and the corresponding impairment reversed.

Country risks

Country risks (or risks on international commitments) consist of the total amount of unimpaired loans, both on and off-balance sheet, carried by an institution directly or *via* hive-off vehicles, involving private or public debtors residing in the countries identified by the French Regulatory and Resolution Supervisory Authority (*Autorité de contrôle prudentiel et de résolution* — ACPR), or where settlement thereof depends on the position of public or private debtors residing in those countries.

Restructured loans

These are loans to counterparties in financial difficulty, such that the credit institution alters their initial characteristics (term, interest rate, *etc.*) to allow the counterparties to honour the repayment schedule.

They consist of loans classified as doubtful and performing loans at the time of restructuring.

Restructured loans do not include loans whose characteristics have been renegotiated on a commercial basis with counterparties not showing any insolvency problems.

The reduction of future flows granted to a counterparty, or the postponing of these flows as part of the restructuring, results in the recognition of a discount. It represents future loss of cash flow discounted at the original effective rate.

It is equal to the difference between:

- the face value of the loan; and
- the sum of theoretical future cash flows from the restructured loan, discounted at the original effective interest rate (defined at the date of the financing commitment).

The discount recognised when a loan is restructured is accounted for under cost of risk.

Loans restructured due to the debtor's financial position are rated in accordance with Basel rules and are impaired on the basis of the estimated credit risk. If, following reclassification to performing loans, the debtor does not meet the agreed payments, the restructured loan is immediately reclassified to doubtful loans.

Crédit Agricole S.A. had no restructured loans at 31 December 2019.

2.2 SECURITIES PORTFOLIO

The rules on recognition of securities transactions are defined by Articles 2311-1 to 2391-1 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") and Articles 2211-1 to 2251-13 (Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014 for the determination of credit risk and the impairment of fixed-income securities.

These securities are presented in the financial statements according to their asset class: treasury bills (treasury bonds and similar securities), bonds and other fixed-income securities (negotiable debt securities and interbank market instruments), equities and other variable income securities.

They are classified in portfolios defined by regulation (trading, long-term investment, short-term investment, medium term portfolio, fixed assets, other long-term equity investments, equity investments, investments in subsidiaries and affiliates), depending on the management objective of the entity and the characteristics of the instrument at the time the product is subscribed.

2.2.1 Trading securities

Trading securities are those that are originally:

- bought with the intention of selling them in the near future, or sold with the intention of repurchasing them in the near future;
- or held by the institution as a result of its market-making activity. The classification of these securities as trading securities depends on the effective turnover of the securities and on a significant trading volume taking into account market opportunities.

These securities must be tradable on an active market and market prices thus available must represent real transactions regularly undertaken in the market on an arm's length basis.

Trading securities also include:

- securities bought or sold as part of specialised management of a trading portfolio, including forward financial instruments, securities or other financial instruments that are managed collectively and on which there is an indication of recent short term profit taking;
- securities on which there is a commitment to sell as part of an arbitrage transaction on an organised exchange for financial instruments or similar market.

Except as provided in Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, trading securities may not be reclassified into another accounting category. They continue to be presented and measured as trading securities until they are removed from the balance sheet after being sold, fully repaid or written off.

Trading securities are recognised on the date they are purchased in the amount of their purchase price, excluding transaction expenses and including accrued interest.

Liabilities relating to securities sold short are recognised on the liabilities side of the institution's balance sheet for the selling price excluding transaction expenses.

At each reporting date, securities are measured at the most recent market price. The overall amount of differences resulting from price changes is recorded in the income statement under "Net gains (losses) on trading book".

2.2.2 Short-term investment securities

This category consists of securities that do not fall into any other category.

The securities are recorded at purchase price, including transaction expenses.

Refer to the glossary page 647 for the definition of the technical terms.

Crédit Agricole S.A.'s portfolio of short-term investment securities consists mostly of bonds denominated in euros and foreign currencies and mutual investment funds.

Bonds and other fixed Income securities

These securities are recognised at purchase price including interest then accrued. The difference between the purchase price and the redemption value is staggered over the residual maturity of the security on an actuarial basis.

Income is recorded in the income statement under "Interest and similar income from bonds and other fixed-income securities.

Equities and other variable income securities

Equities are recognised in the balance sheet at purchase value including acquisition costs. The associated dividends are recorded as income under "Income from variable income securities".

Income from mutual investment funds is recognised when received under the same heading.

At each reporting date, short-term investment securities are measured at the lower of acquisition cost and market value. If the current value of a holding or of a homogeneous set of securities (calculated from market prices at the reporting date, for example) is lower than its carrying amount, an impairment loss is recorded for the unrealised loss without offset against any gains recognised on other categories of securities. Gains from hedging within the meaning of Article 2514-1 of ANC Regulation 2014-07 of 26 November 2014, in the form of purchases or sales of forward financial instruments, are factored in for the purposes of calculating impairment losses. Potential gains are not recorded.

Impairment intended to take into account counterparty risk and recognised under cost of risk is booked on fixed-income securities as follows:

- in the case of listed securities, impairment is based on market value, which intrinsically reflects credit risk. However, if Crédit Agricole S.A. has specific information on the issuer's financial position that is not reflected in the market value, a specific impairment loss is recorded;
- in the case of unlisted securities, impairment is recorded in the same way as for loans and receivables due from customers based on identified probable losses (see Note 2.1 "Loans and financing commitments – Impairment resulting from identified credit risk").

Sales of securities are deemed to take place on a first-in, first-out basis.

Impairment losses and reversals and disposal gains or losses on short-term investment securities are recorded under "Net gains (losses) on short-term investment portfolios and similar" in the income statement.

2.2.3 Long-term investment securities

Long-term investment securities are fixed-income securities with a fixed maturity date that have been acquired or transferred to this category with the manifest intention of holding them until maturity.

This category only includes securities for which Crédit Agricole S.A. has the necessary financial ability to continue holding them until maturity and that are not subject to any legal or other restriction that could interfere with its intention to hold them until maturity.

Long-term investment securities are recognised at purchase price, including acquisition costs and accrued interest.

The difference between the purchase price and the repayment price is staggered over the residual maturity of the security.

Impairment is not booked for long-term investment securities if their market value falls below cost. On the other hand, if the impairment arises from a risk relating specifically to the issuer of the security, impairment is recorded under "Cost of risk", in accordance with Part 2 "Accounting Treatment of Credit Risk" of Book II "Special Transactions" of ANC Regulation 2014-07 of 26 November 2014.

In the case of the sale or reclassification to another category of long-term investment securities representing a material amount, the institution is no longer authorised, during the current financial year and the two subsequent financial years, to classify securities previously bought or to be bought as long-term investment securities, in accordance with Article 2341-2 of ANC Regulation 2014-07 of 26 November 2014.

2.2.4 Medium-term portfolio securities

In accordance with Articles 2351-2 to 2352-6 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, these securities are "investments made on a normal basis, with the sole aim of securing a gain in the medium term, with no intention of investing in the issuer's business on a long term basis or taking an active part in its management".

Securities can only be included in this category if the activity is carried out to a significant extent and on an ongoing basis within a structured framework and gives the institution a recurring return mainly in the form of gains on disposals.

Crédit Agricole S.A. meets these conditions and some of its securities can be classified in this category.

Medium term portfolio securities are recorded at purchase price, including transaction expenses.

They are recognised at the end of the reporting period at the lower of historical cost or value in use, which is determined on the basis of the issuer's general outlook and the estimated residual maturity.

For listed companies, value in use is generally the average market price over a sufficiently long period of time, depending on the estimated time horizon for holding the securities, to mitigate the impact of substantial fluctuations in market prices.

Impairment losses are booked for any unrealised losses calculated for each holding and are not offset against any unrealised gains. They are recorded under "Net gains (losses) on short-term investment portfolios and similar" along with impairment losses and reversals on these securities.

Unrealised gains are not recognised.

2.2.5 Investments in subsidiaries and affiliates, equity investments and other long-term equity investments

- Investments in subsidiaries and affiliates are investments in companies that are under exclusive control and that are or are liable to be fully consolidated into a consolidated unit.
- Equity investments are investments (other than investments in subsidiaries and affiliates), of which the long-term ownership is judged beneficial to the institution, in particular because it allows it to exercise influence or control over the issuer.
- Other long-term equity investments consist of securities held with the intention of promoting long-term business relations by creating a special relationship with the issuer, but with no influence on the issuer's management due to the small percentage of voting rights held.

These securities are recognised at purchase price, including transaction expenses.

At the reporting date, the value of these securities is measured individually, based on value in use, and they are recorded on the balance sheet at the lower of historical cost or value in use.

This represents what the institution would be prepared to pay to acquire them having regard to its reasons for holding them.

The estimation of the value in use may be based on various factors such as the profitability and profitability prospects of the issuing company, its shareholders' equity, economic conditions or the average stock market price in recent months or the mathematical value of the security.

When value in use of securities is lower than historical cost, impairment losses are booked for these unrealised losses and are not offset against any unrealised gains.

Impairment losses and reversals and disposal gains or losses on these securities are recorded under "Net gains (losses) on fixed assets".

2.2.6 Market price

The market price at which the various categories of securities are measured is determined as follows:

- securities traded on an active market are measured at the latest price;
- if the market on which the security is traded is not or no longer considered active or if the security is unlisted, Crédit Agricole S.A. determines the likely value at which the security concerned would be traded using valuation techniques. Firstly, these techniques take into account recent transactions carried out in normal competition conditions. If required, Crédit Agricole S.A. uses valuation techniques commonly used by market participants to price these securities, when it has been demonstrated that these techniques provide reliable estimates of prices obtained in actual market transactions.

2.2.7 Recording dates

Crédit Agricole S.A. records securities classified as long-term investment securities on the settlement date. Other securities, regardless of type or classification, are recognised on the trading date.

2.2.8 Securities sold / bought under repurchase agreements

Securities sold under repurchase agreements are kept on the balance sheet. The amount received, representing the liability to the buyer, is recorded as a liability.

Securities bought under repurchase agreements are not recorded on the balance sheet, but the amount paid, representing the receivable from the seller, is recorded as an asset on the balance sheet.

Securities sold under repurchase agreements are subject to the accounting treatment applying to the portfolio from which they originate.

2.2.9 Reclassification of securities

In accordance with Articles 2381-1 to 2381-5 (Part 3 "Recognition of Securities Transactions" of Book II "Special Transactions") of ANC Regulation 2014-07 of 26 November 2014, the following securities reclassifications are allowed:

- from "trading portfolio" to "long-term investment portfolio" or "short-term investment portfolio" in the case of exceptional market conditions or, for fixed-income securities that are no longer tradable in an active market and if the entity has the intention and ability to hold the securities for the foreseeable future or until maturity;
- from "short-term investment portfolio" to "long-term investment portfolio" in the case of exceptional market conditions or for fixed-income securities that are no longer tradable in an active market.

In 2019, Crédit Agricole S.A. did not carry out any reclassification of securities under ANC Regulation 2014-07 of 26 November 2014.

2.2.10 Treasury shares buy-back

Treasury shares bought back by Crédit Agricole S.A., including shares and stock options held to hedge stock option plans, are recognised as assets under a specific balance sheet heading.

They may, where necessary, be impaired where the current value is below the purchase price, except for transactions connected with employee free share allocation plans and stock option and share subscription plans as per ANC Regulation 2014-03 of 5 June 2014.

2.3 FIXED ASSETS

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 relating to the depreciation, amortisation and impairment of assets.

Crédit Agricole S.A. applies component accounting for all of its property, plant and equipment. In accordance with the provisions thereof, the depreciable amount takes account of the potential residual value of fixed assets.

ANC Regulation 2015-06 changes the way in which technical merger losses are recognised on the balance sheet and monitored in the parent company financial statements. Losses are no longer required to be comprehensively and systematically recognised under "Goodwill"; they must be recognised in the balance sheet under the asset headings to which they are allocated in "Other property, plant & equipment, intangible assets and financial assets, *etc.*". Losses are amortised, impaired and written off in the same way as the underlying asset.

The acquisition cost of fixed assets includes the purchase price plus any incidental expenses, namely expenses directly or indirectly incurred in connection with bringing the asset into service or "into inventory".

Land is recorded at acquisition cost.

Property and equipment are measured at acquisition cost less accumulated depreciation and impairment losses since the time they were placed in service.

Purchased software is measured at acquisition cost less accumulated amortisation and impairment losses since acquisition.

Proprietary software is measured at cost less accumulated amortisation and impairment losses since completion.

Intangible assets other than software, patents and licences are not amortised. They may be subject to impairment.

Fixed assets are depreciated over their estimated useful lives.

Refer to the glossary page 647 for the definition of the technical terms.

The following components and depreciation periods have been adopted by Crédit Agricole S.A. following the application of the measures on component accounting for fixed assets. These depreciation periods must be 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 (declining or straight-line)
Special equipment	4 to 5 years (declining or straight-line)

Based on available information, Crédit Agricole S.A. has concluded that impairment testing would not lead to any change in the existing depreciable base.

2.4 AMOUNTS DUE TO CUSTOMERS AND CREDIT INSTITUTIONS

Amounts due to credit institutions, Crédit Agricole entities and customers are presented in the financial statements according to their residual maturity or their nature:

- demand and time deposits for credit institutions;
- current accounts, term loans and advances for Crédit Agricole internal transactions;
- special savings accounts and other amounts due to customers (notably including financial customers).

Repurchase agreements (represented by certificates or securities) are included under these various headings, according to counterparty type.

Accrued interest on these deposits is recognised under accrued interest and taken to profit or loss.

2.5 DEBT SECURITIES

Debt securities are presented according to their form: interest-bearing notes, interbank market instruments, negotiable debt securities, bonds and other debt securities, excluding subordinated securities, which are classified in liabilities under “Subordinated debt”.

Interest accrued but not yet due is recognised under accrued interest and taken to profit or loss.

Issue or redemption premiums on bonds are amortised over the maturity period of each bond. The corresponding charge is recorded under “Interest and similar expenses on bonds and other fixed-income securities”.

Redemption premiums and debt issue premiums represented by securities are amortised using the actuarial amortisation method.

Crédit Agricole also amortises borrowing expenses in its parent company’s financial statements.

Fee and commission expenses on financial services paid to the Regional Banks are recognised as expenses under “Fee and commission expenses”.

2.6 PROVISIONS

Crédit Agricole S.A. applies ANC Regulation 2014-03 of 5 June 2014 for the recognition and measurement of provisions.

Provisions include provisions relating to financing commitments, retirement and early retirement liabilities, litigation and various risks.

The provisions also include country risks. All these risks are reviewed quarterly.

Provisions are set aside for country risks following an analysis of the types of transactions, the term of commitments, their form (receivables, securities, market products) as well as country quality.

Crédit Agricole S.A. partially hedges provisions on these foreign currency-denominated receivables by buying foreign currency to limit the impact of changes in foreign exchange rates on provision levels.

The provision for home purchase savings scheme imbalance risk is designed to cover obligations in the event of unfavourable movements in 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 scheme 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:

- saver behaviour, as well as an estimate of the amount and term of the loans that will be granted in the future. These estimates are based on historical observations over a long period;
- the yield curve for market rates and reasonably foreseeable trends.

This provision is calculated in accordance with Part 6 “Regulated Savings” of Book II “Special Transactions” of ANC Regulation 2014-07 of 26 November 2014.

2.7 FUND FOR GENERAL BANKING RISK (FGBR)

In accordance with Fourth European Directive and CRBF Regulation 90-02 of 23 February 1990 as amended relating to capital, funds for general banking risks are constituted by Crédit Agricole S.A., at the discretion of its management, to meet any charges or risks relating to banking operations but whose incidence is not certain.

Provisions are released to cover any incidence of these risks during a given financial year.

2.8 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS AND OPTIONS

Hedging and market transactions on forward interest rate, foreign exchange or equity instruments are recorded in accordance with the provisions of Part 5 “Forward Financial Instruments” of Book II “Special Transactions” of ANC Regulation 2014-07 of 26 November 2014.

Commitments relating to these transactions are recorded off-balance sheet at the par value of the contracts: this amount represents the volume of pending transactions.

Gains or losses relating to these transactions are recorded on the basis of the type of instrument and the strategy used:

Hedging transactions

Gains or losses realised on hedging transactions (category “b” Article 2522-1 of ANC Regulation 2014-07) are recorded on the income statement symmetrically with the recognition of income and expenses on the hedged item and under the same accounting heading.

Income and expenses relating to forward financial instruments used for hedging and managing Crédit Agricole S.A.’s overall interest rate risk (category “c” Article 2522-1 of ANC Regulation 2014-07) are recorded *prorata temporis* under “Interest and similar income (expenses) – Net gains (losses) on macro-hedging transactions”. Unrealised gains and losses are not recorded.

Market transactions

Market transactions include:

- isolated open positions (category “a” Article 2522-1 of ANC Regulation 2014-07);
- specialised management of a trading portfolio (category “d” Article 2522 of ANC Regulation 2014-07).

They are measured in reference to their market value on the reporting date.

If there is an active market, the instrument is stated at the available market price. In the absence of an active market, fair value is determined using internal valuation techniques and models.

Instruments

- For isolated open positions traded on organised or similar exchanges, all realised and unrealised gains and losses are recognised;
- for isolated open positions traded over the counter, only unrealised losses are recognised, *via* a provision. Realised gains and losses are taken to profit or loss when the transaction is settled;
- as part of a trading portfolio, all realised and unrealised gains and losses are recognised.

Counterparty risk on derivative instruments

In accordance with Article 2525-3 of ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. makes a credit valuation adjustment to the market value of its derivative assets to reflect counterparty risk. For this reason, Credit Valuation Adjustments (CVAs) are only made to derivatives recognised as isolated open positions and as part of a trading portfolio (derivatives classified in categories “a” and “d” Article 2522-1 of the aforementioned regulation).

The CVA makes it possible to calculate counterparty losses expected by Crédit Agricole S.A.

The CVA 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 based:

- primarily on market parameters such as registered and listed CDS (or Single Name CDS) or index-based CDS;
- in the absence of registered CDS on the counterparty, an approximation based on a basket of Single Name CDS of counterparties with the same rating operating in the same sector and located in the same area.

In certain circumstances, historical default data may also be used.

2.9 FOREIGN CURRENCY TRANSACTIONS

At each reporting date, receivables and liabilities as well as foreign exchange contracts included in off-balance sheet commitments denominated in foreign currencies are translated using the exchange rate at the reporting date.

Income received and expenses paid are recorded at the exchange rate on the transaction date. Accrued income and expenses not yet due are translated at the closing rate.

Foreign currency assets held on a long-term basis, including allocations to branches, fixed assets, long-term investment securities, subsidiary securities and equity investments in foreign currencies financed in euros remain converted at the exchange rate on the day of acquisition. A provision may be booked if there is a permanent deterioration in exchange rates affecting Crédit Agricole S.A.’s foreign equity investments.

At each reporting date, forward foreign exchange transactions are measured at the relevant forward exchange rate. Recognised gains or losses are recorded on the income statement under “Net gains (losses) on trading book – Net gains (losses) on foreign exchange transactions and similar financial instruments”.

Pursuant to the implementation of Part 7 “Recognition of Foreign Currency Transactions” of Book II “Special Transactions” of ANC Regulation 2014-07 of 26 November 2014, Crédit Agricole S.A. has instituted multi-currency accounting to enable it to monitor its foreign exchange position and to measure its exposure to this risk.

Refer to the glossary page 647 for the definition of the technical terms.

2.10 CONSOLIDATION OF FOREIGN BRANCHES

Branches keep separate accounts that comply with the accounting rules in force in the countries in which they are based.

At each reporting date, the branches' balance sheets and income statements are adjusted according to French accounting rules, translated into euros and integrated with the accounts of their head office after the elimination of intra-group transactions.

The rules for translation into euros are as follows:

- balance sheet items are translated at the closing rate;
- income and expenses paid and received are recorded at the exchange rate on the transaction date, whereas accrued income and expenses are translated at the closing rate.

Gains or losses resulting from this translation are recorded on the balance sheet under "Accruals, prepayments and sundry assets" or "Accruals, deferred income and sundry liabilities".

2.11 OFF-BALANCE SHEET COMMITMENTS

Off-balance sheet items mainly reflect the unused portion of financing commitments and guarantee commitments given and received.

A charge is booked to provisions for commitments given if there is a probability that calling in the commitment will result in a loss for Crédit Agricole S.A.

Reported off-balance sheet items do not mention commitments on forward financial instruments or foreign exchange transactions. Similarly, they do not include commitments received concerning treasury bonds, similar securities and other securities pledged as collateral.

However, these items are detailed in Notes 24, 25 and 26 to the financial statements.

2.12 EMPLOYEE PROFIT-SHARING AND INCENTIVE PLANS

Employee profit-sharing is recognised in the income statement in the financial year in which the employees' rights are earned.

Incentive plans are covered by the 21 June 2011 agreement.

The cost of employee profit-sharing and incentive plans is included in "Employee expenses".

2.13 POST-EMPLOYMENT BENEFITS

2.13.1 Retirement, early-retirement and end-of-career allowance commitments – defined-benefit schemes

Since 1 January 2013, Crédit Agricole S.A. has applied ANC recommendation 2013-02 of 7 November 2013 relating to the measurement and recognition of retirement and similar benefit obligations, such recommendation having then been repealed and incorporated in Section 4 of Chapter II of Part III of ANC Regulation 2014-03 of 5 June 2014.

In accordance with this regulation, Crédit Agricole S.A. sets aside provisions to cover its retirement and similar benefit obligations falling within the category of defined-benefit schemes.

These commitments are stated based on a set of actuarial, financial and demographic assumptions, and in accordance with the Projected Unit Credit 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.

Crédit Agricole S.A. has opted for method 2 which allows in particular for the recognition of gains or losses arising from changes to defined-benefit schemes when the curtailment or settlement occurs.

The regulation also allows for the recognition of actuarial gains and losses using the "corridor method" or any other method that results in faster recognition in profit or loss.

Crédit Agricole S.A. elected to immediately recognise the actuarial gains and losses in profit or loss, and accordingly the amount of the provision is equal to:

- the present value of the obligation to provide the defined benefits at the reporting date, calculated in accordance with the actuarial method advised by the regulation;
- less, where applicable, the fair value of plan assets. These may be represented by an eligible insurance policy. In the event that the obligation is fully covered by such a policy, the fair value thereof is deemed to be the value of the corresponding obligation — i.e. the amount of the corresponding actuarial liability.

2.13.2 Retirement plans – defined-contribution schemes

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, Crédit Agricole S.A. has no liabilities in this respect other than its on-going contributions.

The amount of contributions under the terms of these pension schemes is shown under "Employee expenses".

2.14 STOCK OPTIONS AND SHARE SUBSCRIPTIONS OFFERED TO EMPLOYEES UNDER THE EMPLOYEE SAVINGS PLAN

Stock option plans

Stock option plans granted to certain categories of employees are recorded when exercised. Exercise gives rise to either an issue of shares, recorded in accordance with requirements relating to capital increases, or the transfer to employees of treasury shares, previously purchased by Crédit Agricole S.A. and recognised in accordance with the terms set out in the "Treasury shares buyback" section.

Share subscriptions under the Employee Savings Plans

Share subscriptions offered to employees under the Employee Savings Scheme, with a maximum discount of 20%, do not have a vesting period but are subject to a five-year lock-up period. These share subscriptions are recognised in accordance with requirements relating to capital increases.

2.15 EXTRAORDINARY INCOME AND EXPENSES

These comprise income and expenses that are extraordinary in nature and relate to transactions that do not form part of Crédit Agricole S.A.'s ordinary activities.

2.16 INCOME TAX CHARGE

In general, only the current tax liability is recognised in the parent company's financial statements.

The tax charge appearing in the income statement is the corporate income tax due in respect of the financial year. It includes the effect of the 3.3% additional social contribution on profits.

Revenues from loans and securities portfolios are recognised net of tax credits.

Crédit Agricole S.A. has had a tax consolidation mechanism in place since 1990. At 31 December 2019, 1,252 entities had signed tax consolidation agreements with Crédit Agricole S.A. Under these agreements, each company that is part of the tax consolidation mechanism recognises in its financial statements the tax that it would have had to pay in the absence of tax consolidation.

Given that the legislative intent when introducing the tax credit for competitiveness and employment (*crédit d'impôt pour la compétitivité et l'emploi* – CICE) was to reduce employee expenses, Crédit Agricole S.A. chose to recognise the CICE (Article 244 *quater*-C of the French General Tax Code) as a reduction in employee expenses and not as a reduction in tax.

NOTE 3 Loans and receivables due from credit institutions – Analysis by residual maturity

							31/12/2019	31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	**Total**	**Total**
CREDIT INSTITUTIONS								
Loans and receivables:								
demand	2,745	-	-	-	2,745	1	**2,746**	**4,342**
time	8,133	18,313	74,293	12,839	113,578	193	**113,771**	**106,091**
Pledged securities	-	-	-	-	-	-	**-**	**-**
Securities bought under repurchase agreements	-	-	-	-	-	-	**-**	**-**
Subordinated loans	-	-	82	15,382	15,464	26	**15,490**	**14,374**
Total	**10,878**	**18,313**	**74,375**	**28,221**	**131,787**	**220**	**132,007**	**124,807**
Impairment							**-**	**-**
Net carrying amount							**132,007**	**124,807**
CRÉDIT AGRICOLE INTERNAL TRANSACTIONS								
Current accounts	1,332	-	-	-	1,332	1	**1,333**	**1,971**
Time deposits and advances	44,824	87,641	116,926	83,635	333,026	229	**333,255**	**310,751**
Securities bought under repurchase agreements	556	736	48	-	1,340	2	**1,342**	**1,746**
Subordinated loans	-	-	-	416	416	2	**418**	**397**
Total	**46,712**	**88,377**	**116,974**	**84,051**	**336,114**	**234**	**336,348**	**314,865**
Impairment							**-**	**-**
Net carrying amount							**336,348**	**314,865**
TOTAL							**468,355**	**439,672**

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 4 Loans and receivables due from customers

4.1 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY RESIDUAL MATURITY

	31/12/2019							31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	**Total**	**Total**
Trade receivables								
Other customer loans	1,475	1,070	1,125	515	4,185	5	**4,190**	**3,928**
Pledged securities	-	-	-	-	-	-	**-**	**-**
Current accounts in debit	249	-	-	-	249	1	**250**	**70**
Impairment							**(1)**	**(1)**
NET CARRYING AMOUNT							**4,439**	**3,997**

4.2 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY GEOGRAPHIC AREA

(in millions of euros)	31/12/2019	31/12/2018
France (including DOM-TOM)	2,709	2,035
Other EU countries	1,716	1,939
Other European countries	9	11
North America	-	7
Central and South America	-	-
Africa and Middle East	-	-
Asia and Oceania (excl. Japan)	-	-
Japan	-	-
Non-allocated and international organisations	-	-
Total principal	**4,434**	**3,992**
Accrued interest	6	6
Impairment	**(1)**	**(1)**
NET CARRYING AMOUNT	**4,439**	**3,997**

4.3 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – DOUBTFUL LOANS AND IMPAIRMENT LOSSES BY GEOGRAPHIC AREA

	31/12/2019					31/12/2018				
(in millions of euros)	Gross outstanding	O/w doubtful loans	O/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	O/w doubtful loans	O/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
France (including DOM-TOM)	2,714	1	1	(1)	(1)	2,039	1	1	(1)	(1)
Other EU countries	1,717	-	-	-	-	1,940	-	-	-	-
Other European countries	9	-	-	-	-	11	-	-	-	-
North America	-	-	-	-	-	8	-	-	-	-
Central and South America	-	-	-	-	-	-	-	-	-	-
Africa and Middle East	-	-	-	-	-	-	-	-	-	-
Asia and Oceania (excl. Japan)	-	-	-	-	-	-	-	-	-	-
Japan	-	-	-	-	-	-	-	-	-	-
Non-allocated and international organisations	-	-	-	-	-	-	-	-	-	-
TOTAL	**4,440**	**1**	**1**	**(1)**	**(1)**	**3,998**	**1**	**1**	**(1)**	**(1)**

Refer to the glossary page 647 for the definition of the technical terms.

4.4 LOANS AND RECEIVABLES DUE FROM CUSTOMERS – ANALYSIS BY CUSTOMER TYPE

	31/12/2019					31/12/2018				
(in millions of euros)	Gross outstanding	O/w doubtful loans	O/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans	Gross outstanding	O/w doubtful loans	O/w irrecoverable loans	Impairment of doubtful loans	Impairment of irrecoverable loans
Individual customers	-	-	-	-	-	-	-	-	-	-
Farmers	-	-	-	-	-	-	-	-	-	-
Other small businesses	-	-	-	-	-	-	-	-	-	-
Financial institutions	3,058	-	-	-	-	2,617	-	-	-	-
Corporates	1,381	1	1	(1)	(1)	1,381	1	1	(1)	(1)
Local authorities	1	-	-	-	-	-	-	-	-	-
Other customers	-	-	-	-	-	-	-	-	-	-
TOTAL	**4,440**	**1**	**1**	**(1)**	**(1)**	**3,998**	**1**	**1**	**(1)**	**(1)**

NOTE 5 Trading, short-term investment, long-term investment and medium-term portfolio securities

					31/12/2019	31/12/2018
(in millions of euros)	Trading securities	Short-term investments	Medium-term portfolio securities	Long-term investment securities	Total	Total
Treasury bills and similar securities	-	6,088	-	8,662	**14,750**	**14,744**
o/w residual net premium	-	183	-	716	**899**	**815**
o/w residual net discount	-	(4)	-	(40)	**(44)**	**(51)**
Accrued interest	-	47	-	72	**119**	**121**
Impairment	-	-	-	(2)	**(2)**	**(2)**
Net carrying amount	**-**	**6,135**	**-**	**8,732**	**14,867**	**14,863**
Bonds and other fixed-income securities[1]						
Issued by public bodies	-	1,701	-	2,121	**3,822**	**2,933**
Other issuers	-	14,938	-	18,775	**33,713**	**29,671**
o/w residual net premium	-	129	-	162	**291**	**178**
o/w residual net discount	-	(12)	-	(34)	**(46)**	**(44)**
Accrued interest	-	97	-	58	**155**	**170**
Impairment	-	(2)	-	-	**(2)**	**(6)**
Net carrying amount	**-**	**16,734**	**-**	**20,954**	**37,688**	**32,768**
Equities and other variable income securities (including treasury shares)	41	5	-	-	**46**	**7**
Accrued interest	-	-	-	-	**-**	**-**
Impairment	-	-	-	-	**-**	**-**
Net carrying amount	**41**	**5**	**-**	**-**	**46**	**7**
TOTAL	**41**	**22,874**	**-**	**29,686**	**52,601**	**47,638**
Estimated values	41	23,382	-	29,731	**53,154**	**48,237**

(1) Of which €4,758 million of subordinated debt (excluding accrued interest) at 31 December 2019 and €3,957 million at 31 December 2018.

Refer to the glossary page 647 for the definition of the technical terms.

5.1 TRADING, SHORT-TERM INVESTMENT, LONG-TERM INVESTMENT AND MEDIUM-TERM PORTFOLIO SECURITIES (EXCLUDING TREASURY BILLS) – BREAKDOWN BY MAJOR CATEGORY OF COUNTERPARTY

(in millions of euros)	31/12/2019	31/12/2018
Government and central banks (including central governments)	2,311	1,792
Credit institutions	20,964	18,034
Financial institutions	4,439	4,723
Local authorities	1,511	1,140
Corporates, insurance companies and other customers	8,356	6,922
Other and non-allocated	-	-
Total principal	**37,581**	**32,611**
Accrued interest	155	170
Impairment	(2)	(6)
NET CARRYING AMOUNT	**37,734**	**32,775**

5.2 BREAKDOWN OF LISTED AND UNLISTED FIXED AND VARIABLE-INCOME SECURITIES

	31/12/2019				31/12/2018			
(in millions of euros)	Bonds and other fixed income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total	Bonds and other fixed-income securities	Treasury bills and similar securities	Equities and other variable-income securities	Total
Fixed-income and variable income securities	37,535	14,750	46	**52,331**	32,604	14,744	7	**47,355**
o/w listed securities	26,396	14,750	-	**41,146**	25,164	14,744	-	**39,908**
o/w unlisted securities[1]	11,139	-	46	**11,185**	7,440	-	7	**7,447**
Accrued interest	155	119	-	**274**	170	121	-	**291**
Impairment	(2)	(2)	-	**(4)**	(6)	(2)	-	**(8)**
NET CARRYING AMOUNT	**37,688**	**14,867**	**46**	**52,601**	**32,768**	**14,863**	**7**	**47,638**

(1) UCITS break down as follows: no foreign UCITS comprising capitalisation UCITS.

Breakdown of UCITS by type at 31 December 2019

(in millions of euros)	Inventory value	Net asset value
Money market UCITS	41	-
Bond funds	-	-
Equity UCITS	5	5
Other UCITS	-	-
TOTAL	**46**	**5**

5.3 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES – ANALYSIS BY RESIDUAL MATURITY

	31/12/2019							31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	Total	Total
BONDS AND OTHER FIXED-INCOME SECURITIES								
Gross amount	1,541	1,657	17,184	17,153	37,535	155	**37,690**	**32,774**
Impairment	-	-	-	-	-	-	**(2)**	**(6)**
NET CARRYING AMOUNT	**1,541**	**1,657**	**17,184**	**17,153**	**37,535**	**155**	**37,688**	**32,768**
TREASURY BILLS AND SIMILAR SECURITIES								
Gross amount	2,559	3,484	2,702	6,005	14,750	119	**14,869**	**14,865**
Impairment	-	-	-	-	-	-	**(2)**	**(2)**
NET CARRYING AMOUNT	**2,559**	**3,484**	**2,702**	**6,005**	**14,750**	**119**	**14,867**	**14,863**

5.4 TREASURY BILLS, BONDS AND OTHER FIXED-INCOME SECURITIES – ANALYSIS BY GEOGRAPHIC AREA

	31/12/2019		31/12/2018	
(in millions of euros)	Gross outstanding	O/w doubtful loans	Gross outstanding	O/w doubtful loans
France (including DOM-TOM)	31,290	-	27,771	-
Other EU countries	16,297	-	15,713	-
Other European countries	1,457	-	1,553	-
North America	2,430	-	1,653	-
Central and South America	-	-	-	-
Africa and Middle East	293	-	129	-
Asia and Oceania (excl. Japan)	170	-	294	-
Japan	348	-	235	-
Total principal	**52,285**	**-**	**47,348**	**-**
Accrued interest	274	-	291	-
Impairment	(4)	-	(8)	-
NET CARRYING AMOUNT	**52,555**	**-**	**47,631**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 6 Equity investments and subsidiary securities

			(in millions of original currency)			(in millions of euros)				(in millions of euros)		
			Financial information			Carrying amount of securities held						
Company	Address	Currency	Share capital 31/12/2019	Equity other than share capital 31/12/2019	Percentage of share capital held (as a %) 31/12/2019	Gross amount	Net amount	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	Revenues or gross revenues (ex VAT) last financial year ended(2)	Net income for last financial year ended 31/12/2019	Dividends received by the Company during financial year
INVESTMENTS WHOSE CARRYING AMOUNT EXCEEDS 1% OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL												
1) Investments in banking related parties (more than 50% owned)												
Banco Bisel	Corrientes 832, 1° Piso Rosario, Provincia de Santa Fe, Argentina	ARS	N.A.	N.A.	99	237	-	-	-	N.A.	N.A.	-
Crédit Agricole Italia	Via Universita No. 1 43121 Parma, Italy	EUR	963	4,945(1)	77	5,469	4,519	905	-	1,519(1)	252(1)	97
Crédit Agricole Serbia	Brace Ribnikara 4-6, 21000 Novi Sad, Republic Of Serbia	RSD	10,191	434(1)	100	264	102	157	172	49(1)	6	1
Crédit du Maroc	48-58, boulevard Mohamed V, Casablanca, Morocco	MAD	1,088	3,201(1)	79	377	374	182	3	261(1)	30(1)	5
EFL SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	674	239(1)	100	349	242	978	615	221(1)	21(1)	6
Crédit Agricole Ukraine	42/4 Pushkinska Street, Kiev 01004, Ukraine	UAH	1,222	1,514(1)	100	360	160	26	3	193(1)	55(1)	28
Crédit Agricole Polska SA	Pl. Orlat Lwowskich 1, 53 605 Wroclaw, Poland	PLN	1	1,192(1)	100	699	607	84	-	6(1)	1(1)	-
Crédit Agricole Corporate and Investment Bank	12, place des États-Unis, CS 70052, 92547 Montrouge Cedex	EUR	7,852	4,808(1)	97	19,053	19,053	21,294	33	3,814(1)	1,272(1)	476
Amundi	91-93, boulevard Pasteur, Immeuble Cotentin, 75015 Paris	EUR	504	3,730(1)	68	4,231	4,231	1,110	3,306	482(1)	488(1)	399
Crédit Agricole Leasing & Factoring	12, place des États-Unis, CS 30002, 92548 Montrouge Cedex	EUR	195	204(1)	100	839	839	17,677	3,648	302(1)	159(1)	123
Crédit Agricole Consumer Finance	1, rue Victor Basch CS 7000191068 Massy Cedex	EUR	554	3,579(1)	100	7,607	7,607	11,105	4,061	947(1)	(32)(1)	-

(1) Data for financial year 2018.

(2) Revenues of subsidiaries other than the Regional Banks.

			(in millions of original currency)			*(in millions of euros)*				*(in millions of euros)*		
			Financial information			Carrying amount of securities held						
Company	Address	Currency	Share capital 31/12/2019	Equity other than share capital 31/12/2019	Percentage of share capital held *(as a %)* 31/12/2019	Gross amount	Net amount	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	Revenues or gross revenues (ex VAT) last financial year ended[2]	Net income for last financial year ended 31/12/2019	Dividends received by the Company during financial year
LCL	18, rue de la République, 69002 Lyon	EUR	2,038	3,000[1]	95	11,847	9,507	29,110	302	3,232[1]	467[1]	-
Crédit Agricole Home Loan SFH	12, place des États-Unis, 92127 Montrouge Cedex	EUR	550	3[1]	100	550	550	-	-	4[1]	-	-
Foncaris	12, place des États-Unis, 92127 Montrouge Cedex	EUR	225	108[1]	100	320	320	-	240	27[1]	9	10
Caisse régionale Corse	1, avenue Napoleon III, BP 308, 20193 Ajaccio	EUR	99	22	100	99	99	1,165	4	80	11	-
2) Investments in banking asociates (10% to 50% owned)												
Banco Espirito Santo	Avenida de Libertade 195, 1250 Lisbonne, Portugal	EUR	N.A.	N.A.	12	684	-	-	-	N.A.	N.A.	-
Crédit Agricole Egypt SAE	P/O Box 364, 11835 New Cairo, Egypt	EGP	1,243	2,755[1]	47	258	258	27	-	378	122	32
Crédit Logement	50, boulevard Sébastopol, 75003 Paris	EUR	1,260	347[1]	16	208	208	-	-	204	102	39
Caisse de refinancement de l'habitat	35, rue La Boétie, 75008 Paris	EUR	540	23[1]	29	163	163	-	-	2	-	-
3) Investments in other subsidiaries and affiliates (more than 50% owned)												
Crédit Agricole Assurances	50-56, rue de la Procession, 75015 Paris	EUR	1,490	7,044[1]	100	10,516	10,516	919	-	5[1]	1,592[1]	1,246
Crédit Agricole Capital Investissement & Finance	100, boulevard du Montparnasse, 75014 Paris	EUR	688	409[1]	100	1,146	1,146	-	-	25[1]	30[1]	37
Crédit Agricole Immobilier	12, place des États-Unis, 92545 Montrouge Cedex	EUR	125	83[1]	50	91	91	130	-	38[1]	4[1]	4
Delfinances	12, place des États-Unis, 92127 Montrouge Cedex	EUR	151	67[1]	100	171	171	-	-	-	3[1]	3
Evergreen Montrouge	12, place des États-Unis, 92127 Montrouge Cedex	EUR	475	(192)[1]	100	475	475	10	1	70[1]	(13)[1]	-

(1) Data for financial year 2018.

(2) Revenues of subsidiaries other than the Regional Banks.

Refer to the glossary page 647 for the definition of the technical terms.

			(in millions of original currency)			*(in millions of euros)*				*(in millions of euros)*		
			Financial information			Carrying amount of securities held						
Company	Address	Currency	Share capital 31/12/2019	Equity other than share capital 31/12/2019	Percentage of share capital held *(as a %)* 31/12/2019	Gross amount	Net amount	Loans and receivables granted by the Company and not yet paid back	Amount of guarantees and other commitments given by the Company	Revenues or gross revenues (ex VAT) last financial year ended[(2)]	Net income for last financial year ended 31/12/2019	Dividends received by the Company during financial year
IUB HOLDING	12, place des États-Unis, 92127 Montrouge Cedex	EUR	37	2	100	112	3	-	-	-	8	-
CACEIS	1-3, place Valhubert, 75013 Paris	EUR	941	684[(1)]	70	1,771	1,771	299	3,652	194[(1)]	209[(1)]	178
4) Other investments (< 50% owned)												
Deposit resolution guarantee fund	65, rue de la Victoire, 75009 Paris	EUR	-	2	-	202	202	-	-	-	-	-
INVESTMENTS WHOSE CARRYING AMOUNT IS UNDER 1% OF CRÉDIT AGRICOLE S.A.'S SHARE CAPITAL		EUR				**614**	**552**	**-**	**-**	-	-	24
TOTAL SUBSIDIARIES AND ASSOCIATES						**68,712**	**63,766**	**85,178**	**16,040**	**-**	**-**	**2,708**
Fundable advances and accrued interest		EUR				518	518	-	-	-	-	-
CARRYING AMOUNT						**69,230**	**64,284**	**85,178**	**16,040**	**-**	**-**	**2,708**

(1) Data for financial year 2018.

(2) Revenues of subsidiaries other than the Regional Banks.

Determining the value in use of subsidiaries and equity investments

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 due to decreased budget support, followed by a gradual recovery and ii) a slight decline in growth in the Euro zone, accompanied by inflation, which remains very moderate. Thus, central banks will pursue accommodative monetary policies on a long-term basis keeping interest rates low — even negative even for short-term euro rates — for an extended period. A sharp decline in European growth is not to be expected thanks to household consumption and despite low productive investment and a geopolitical climate that remains very uncertain. Thus:

- in the Euro zone, 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 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 area 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 creates an environment that is favourable to seeking yield, to 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 boosted core 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 growth recovery;
- 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 changes 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 development in India, but also a moderate recovery in trends in Russia and Brazil. Lastly, localised but numerous social movements are likely to create areas of instability.

At 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 (Crédit Agricole S.A. business lines)	Perpetual growth rates	Discount rate	Capital allocated
Retail banking in France – LCL	2.0%	7.8%	10.0%
International retail banking – Italy	2.0%	9.2%	9.8%
International retail banking – other	5.0%	17.0%	9.5%
Specialised financial services	2.0%	7.3% to 9.7%	9.7% to 9.9%
Asset gathering	2.0%	7.3% to 8.3%	9.8% 80% of solvency margin (Insurance)
Large customers	2.0%	7.8% to 9.2%	9.8% to 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. to gradually raise the level of capital allocated to equity investments and subsidiaries as a percentage of risk-weighted assets for certain entities. Last year, this allocation, including countercyclical buffers, ranged from 9.5% to 9.75% of risk weighted assets for all equity investments and subsidiary securities.

In 2018, the French High Council for Financial Stability (HCFS) had decided to implement a counter-cyclical buffer of 0.25% of risk weighted assets corresponding to French exposures. On April 3, 2019, the HCSF published its decision to raise the capital buffer ratio to 0.5% of risk weighted assets, effective 2 April 2020. In addition to this increase in the counter-cyclical buffer in France, since 2018 we integrate the very marginal impact of buffers in place in some foreign countries for the allocation of equity capital to equity investments and subsidiaries. This ultimately results in the adoption, for the various equity investments and subsidiaries, of a CET1 equity allocation of between 9.5% and 10.0% 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 Europe and more particularly in France. Equity risk premiums, on the other hand, change very slowly. 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 equity and subsidiary securities. Given the continued strong competitive pressure on mortgage lending in France in a context of zero or negative rates, the discount rate remained unchanged at 7.8% for equity and Retail banking in France – LCL subsidiary securities.

The perpetual growth rates at 31 December 2019 remained unchanged from those used at December 31, 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.

Refer to the glossary page 647 for the definition of the technical terms.

6.1 ESTIMATED VALUES OF EQUITY INVESTMENTS

	31/12/2019		31/12/2018	
(in millions of euros)	Carrying amount	Estimated value	Carrying amount	Estimated value
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES				
Unlisted securities	62,217	79,401	62,276	77,949
Listed securities	4,867	12,188	4,867	12,396
Advances available for consolidation	508	508	512	512
Accrued interest	-	-	-	-
Impairment	(4,258)	-	(3,936)	-
Net carrying amount	**63,334**	**92,097**	**63,719**	**90,857**
EQUITY INVESTMENTS AND OTHER LONG TERM				
Equity investments				
Unlisted securities	1,426	1,068	1,384	1,061
Listed securities	-	-	-	-
Advances available for consolidation	9	9	9	9
Accrued interest	-	-	-	-
Impairment	(688)	-	(691)	-
Subtotal equity investments	**747**	**1,077**	**702**	**1,070**
Other long-term equity investments				
Unlisted securities	203	205	151	153
Listed securities	-	-	25	42
Advances available for consolidation	-	-	-	-
Accrued interest	-	-	-	-
Impairment	-	-	-	-
Subtotal other long-term equity investments	**203**	**205**	**176**	**195**
Net carrying amount	**950**	**1,282**	**878**	**1,265**
TOTAL EQUITY INVESTMENTS	**64,284**	**93,379**	**64,597**	**92,122**

	31/12/2019		31/12/2018	
(in millions of euros)	Carrying amount	Estimated value	Carrying amount	Estimated value
TOTAL GROSS AMOUNTS				
Unlisted securities	63,846	-	63,811	-
Listed securities	4,867	-	4,892	-
TOTAL	**68,713**	-	**68,703**	-

Estimated values are determined on the basis of the value-in-use of securities; this is not necessarily the market value.

NOTE 7 Movements in fixed assets

7.1 FINANCIAL INVESTMENTS

(in millions of euros)	01/01/2019	Increases (acquisitions)	Decreases (disposals and redemptions)	Other movements(1)	31/12/2019
INVESTMENTS IN SUBSIDIARIES AND AFFILIATES					
Gross amount	67,143	87	(146)	-	67,084
Advances available for consolidation	512	2	(6)	-	508
Accrued interest	-	-	-	-	-
Impairment	(3,936)	(548)	226	-	(4,258)
Net carrying amount	**63,719**	**(459)**	**74**	**-**	**63,334**
EQUITY INVESTMENTS AND OTHER LONG-TERM EQUITY INVESTMENTS					
Equity investments					
Gross amount	1,384	58	(16)	-	1,426
Advances available for consolidation	9	-	-	-	9
Accrued interest	-	-	-	-	-
Impairment	(691)	-	3	-	(688)
Subtotal equity investments	**702**	**58**	**(13)**	**-**	**747**
Other long-term equity investments					
Gross amount	176	52	(25)	-	203
Advances available for consolidation	-	-	-	-	-
Accrued interest	-	-	-	-	-
Impairment	-	-	-	-	-
Subtotal other long-term equity investments	**176**	**52**	**(25)**	**-**	**203**
Net carrying amount	**878**	**110**	**(38)**	**-**	**950**
TOTAL	**64,597**	**(349)**	**36**	**-**	**64,284**

(1) "Other movements" namely include the impact of foreign exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.

7.2 PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS

(in millions of euros)	01/01/2019	Increases (acquisitions)	Decreases (disposals and redemptions)	Other movements(1)	31/12/2019
PROPERTY, PLANT AND EQUIPMENT					
Gross amount	157	-	-	-	157
Depreciation, amortisation and impairment	(44)	-	-	(1)	(45)
Technical merger losses on property, plant and equipment	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-
Depreciation, amortisation and impairment	-	-	-	-	
Net carrying amount	**113**	**-**	**-**	**(1)**	**112**
INTANGIBLE ASSETS					
Gross amount	99	6	-	-	105
Depreciation, amortisation and impairment	(81)	(7)	-	-	(88)
Technical merger losses on intangible losses	**-**	**-**	**-**	**-**	**-**
Gross amount	-	-	-	-	-
Depreciation, amortisation and impairment	-	-	-	-	-
Net carrying amount	**18**	**(1)**	**-**	**-**	**17**
TOTAL	**131**	**(1)**	**-**	**(1)**	**129**

(1) "Other movements" namely include the impact of foreign exchange rate fluctuations on the value of fixed assets accounted for in foreign currencies.

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 8 Treasury shares

(in millions of euros)				31/12/2019	31/12/2018
	Trading securities	Short-term investment securities	Fixed assets	Total	Total
Number	435,000	-	-	**435,000**	**4,378,305**
Carrying amounts	6	-	-	**6**	**41**
Market values	6	-	-	**6**	**41**

Par value per share: €3.00.

NOTE 9 Accruals, prepayments and sundry assets

(in millions of euros)	31/12/2019	31/12/2018
OTHER ASSETS[1]		
Financial options bought	15	8
Inventory accounts and miscellaneous	-	-
Miscellaneous debtors[2]	5,562	5,819
Collective management of *Livret de développement durable* (LDD) savings account securities	-	-
Settlement accounts	4	1
Net carrying amount	**5,581**	**5,828**
ACCRUALS AND DEFERRED INCOME		
Items in course of transmission	5,059	5,333
Adjustment and suspense accounts	2,495	3,002
Unrealised losses and deferred losses on financial instruments	-	-
Prepaid expenses	2,193	1,311
Accrued income on commitments on forward financial instruments	2,285	2,831
Other accrued income	107	90
Deferred charges	389	379
Other accrual prepayments and sundry liabilities	-	78
Net carrying amount	**12,528**	**13,024**
TOTAL	**18,109**	**18,852**

(1) Amounts including accrued interest.

(2) Including €50.40 million in respect of the contribution to the Single Resolution Fund in the form of a security deposit. The Resolution Fund may use the security deposit to provide funding, at any time and without condition.

NOTE 10 Impairment losses deducted from assets

(in millions of euros)	Balance at 01/01/2019	Additions	Reversals and utilisations	Accretion	Other movements	Balance at 31/12/2019
Interbank and similar items	2	-	-	-	-	2
Loans and receivables due from customers	1	-	-	-	-	1
Securities transactions	6	4	(8)	-	-	2
Fixed assets	4,628	548	(229)	-	-	4,947
Other assets	62	159	(53)	-	-	168
TOTAL	**4,699**	**711**	**(290)**	**-**	**-**	**5,120**

NOTE 11 Due to credit institutions – Analysis by residual maturity

	31/12/2019							31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	Total	Total
CREDIT INSTITUTIONS								
Accounts and borrowings:								
demand	5,969	-	-	-	5,969	3	**5,972**	**9,992**
time	16,909	9,519	27,123	31,888	85,439	365	**85,804**	**80,935**
Pledged securities	-	-	-	-	-	-	**-**	**-**
Securities sold under repurchase agreements	752	25	-	-	777	-	**777**	**25**
Carrying amount	**23,630**	**9,544**	**27,123**	**31,888**	**92,185**	**368**	**92,553**	**90,952**
CRÉDIT AGRICOLE INTERNAL TRANSACTIONS								
Current accounts	18,971	-	-	-	18,971	1	**18,972**	**11,359**
Time deposits and advances	879	4,189	9,451	6,525	21,044	169	**21,213**	**21,842**
Securities sold under repurchase agreements	470	550	48	-	1,068	-	**1,068**	**1,597**
Carrying amount	**20,320**	**4,739**	**9,499**	**6,525**	**41,083**	**170**	**41,253**	**34,798**
TOTAL	**43,950**	**14,283**	**36,622**	**38,413**	**133,268**	**538**	**133,806**	**125,750**

NOTE 12 Due to customers

12.1 DUE TO CUSTOMERS – ANALYSIS BY RESIDUAL MATURITY

	31/12/2019							31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	Total	Total
Current accounts in credit	842	-	-	-	842	-	**842**	**1,135**
Special savings accounts:	218,756	26,975	6,066	1,959	253,756	-	**253,756**	**242,095**
demand	150,540	-	-	-	150,540	-	**150,540**	**141,417**
time	68,216	26,975	6,066	1,959	103,216	-	**103,216**	**100,678**
Other amounts due to customers:	1,101	574	3,959	144	5,778	480	**6,258**	**6,100**
demand	518	-	-	-	518	-	**518**	**226**
time	583	574	3,959	144	5,260	480	**5,740**	**5,874**
Pledged securities	176	-	-	-	176	-	**176**	**225**
CARRYING AMOUNT	**220,875**	**27,549**	**10,025**	**2,103**	**260,552**	**480**	**261,032**	**249,555**

Refer to the glossary page 647 for the definition of the technical terms.

12.2 DUE TO CUSTOMERS – ANALYSIS BY GEOGRAPHIC AREA

(in millions of euros)	31/12/2019	31/12/2018
France (including DOM-TOM)	257,409	246,180
Other EU countries	3,143	2,921
Other European countries	-	-
North America	-	-
Central and South America	-	-
Africa and Middle East	-	-
Asia and Oceania (excl. Japan)	-	-
Japan	-	-
Non-allocated and international organisations	-	-
Total principal	**260,552**	**249,101**
Accrued interest	480	454
CARRYING AMOUNT	**261,032**	**249,555**

12.3 DUE TO CUSTOMERS – ANALYSIS BY CUSTOMER TYPE

(in millions of euros)	31/12/2019	31/12/2018
Individual customers	216,803	208,074
Farmers	15,352	14,850
Other small businesses	15,337	13,750
Financial institutions	3,567	3,179
Corporates	2,980	3,191
Local authorities	1,524	1,200
Other customers	4,989	4,857
Total principal	**260,552**	**249,101**
Accrued interest	480	454
CARRYING AMOUNT	**261,032**	**249,555**

NOTE 13 Debt securities

13.1 DEBT SECURITIES – ANALYSIS BY RESIDUAL MATURITY

							31/12/2019	31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	Total	Total
Interest bearing notes								
Money-market securities	500	560	5,739	1,310	8,109	185	**8,294**	**8,660**
Negotiable debt instruments[(1)]	13,478	9,979	-	30	23,487	11	**23,498**	**19,071**
Bonds	592	4,853	44,483	17,681	67,609	807	**68,416**	**67,096**
Other debt securities	-	-	9,918	8,712	18,630	108	**18,738**	**13,662**
NET CARRYING AMOUNT	**14,570**	**15,392**	**60,140**	**27,733**	**117,835**	**1,111**	**118,946**	**108,489**

(1) Of which €12,038 million issued abroad.

13.2 BONDS (BY CURRENCY OF ISSUANCE)

(in millions of euros)	Residual maturity ≤1 year	Residual maturity >1 year ≤5 years	Residual maturity >5 years	31/12/2019 Outstanding amount	31/12/2018 Outstanding amount
Euro	**2,518**	**38,285**	**15,860**	**56,663**	**53,714**
Fixed-rate	2,495	32,033	12,487	47,015	45,488
Floating-rate	23	6,252	3,373	9,648	8,226
Other European Union currencies	**12**	**645**	**-**	**657**	**288**
Fixed-rate	-	645	-	645	277
Floating-rate	12	-	-	12	11
Dollar	**1,563**	**2,367**	**983**	**4,913**	**5,366**
Fixed-rate	1,116	2,010	983	4,109	4,145
Floating-rate	447	357	-	804	1,221
Yen	**1,003**	**1,467**	**296**	**2,766**	**4,595**
Fixed-rate	1,003	1,467	296	2,766	3,464
Floating-rate	-	-	-	-	1,131
Other currencies	**349**	**1,719**	**542**	**2,610**	**2,046**
Fixed-rate	349	1,485	542	2,376	2,046
Floating-rate	-	234	-	234	-
Total principal	**5,445**	**44,483**	**17,681**	**67,609**	**66,009**
Fixed-rate	4,963	37,640	14,308	56,911	55,420
Floating-rate	482	6,843	3,373	10,698	10,589
Accrued interest	-	-	-	807	1,087
CARRYING AMOUNT	**5,445**	**44,483**	**17,681**	**68,416**	**67,096**

NOTE 14 Accruals, deferred income and sundry liabilities

(in millions of euros)	31/12/2019	31/12/2018
OTHER LIABILITIES[(1)]		
Counterparty transactions (trading securities)	-	-
Liabilities relating to stock lending transactions	-	-
Financial options sold	-	-
Settlement and negotiation accounts	-	-
Sundry creditors	11,670	7,349
Payments on securities in process	59	33
Carrying amount	**11,729**	**7,382**
ACCRUALS AND DEFERRED INCOME		
Items in course of transmission	6,548	6,512
Adjustment and suspense accounts	3,038	3,288
Unrealised gains and deferred gains on financial instruments	-	-
Unearned income	2,159	972
Accrued expenses on commitments on forward financial instruments	1,707	2,000
Other accrued expenses	532	569
Other accruals and deferred income	77	50
Carrying amount	**14,061**	**13,391**
TOTAL	**25,790**	**20,773**

(1) *Amounts include accrued interest.*

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 15 Provisions

(in millions of euros)	Balance at 01/01/2019	Depreciation charges	Reversals, amounts used	Reversals, amounts unused	Other movements	Balance at 31/12/2019
Provisions for employee retirement and similar benefits	327	4	(1)	-	(2)	328
Provisions for other employment-related commitments	10	-	(2)	(2)	-	6
Provisions for financing commitment execution risks	59	1	(37)	(1)	-	22
Provisions for tax disputes[1]	1,150	118	(1)	(1,046)	-	221
Provisions for other litigation	36	-	-	-	-	36
Provisions for country risk	-	-	-	-	-	-
Provisions for credit risks[2]	12	6	-	(1)	-	17
Provisions for restructuring	-	-	-	-	-	-
Provisions for tax[3]	398	38	-	(25)	-	411
Provisions on equity investments[4]	-	1	-	(1)	-	-
Provisions for operational risks	-	-	-	-	-	-
Provisions for home purchase savings scheme imbalance risks	177	89	-	-	-	266
Other provisions[5]	133	17	(35)	(35)	(1)	79
CARRYING AMOUNT	**2,302**	**274**	**(76)**	**(1,111)**	**(3)**	**1,386**

(1) Provisions for already notified tax adjustments.

(2) These provisions are prepared on a collective basis primarily on the basis of estimates drawn from CRR / CRD 4 models.

(3) Mainly comprises tax liabilities due to subsidiaries under the tax consolidation mechanism.

(4) Including joint ventures, EIGs, property risks of equity instruments.

(5) Including provisions for economic interest group investment risks.

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 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 decision of the French Council of State of 8 November 2019 relating to the 2012 capital increase of Emporiki bank subscribed by Crédit Agricole S.A. with a view to its sale, which ultimately ruled in favour of Crédit Agricole S.A. and concluded that the securities at issue were marketable, the case was settled in its entirety, including the 2013 dispute that had become moot. The amount of €312 million was therefore released and returned to Crédit Agricole S.A. Consequently, there are no longer any receivables in this respect on the balance sheet as at 31 December 2019.

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 defense, 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 euros 82 940 000 to euros 76 560 000 the sanction on Crédit Agricole. LCL's sanction remains unchanged, at an amount of 20,930,000 euros.

Refer to the glossary page 647 for the definition of the technical terms.

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.

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.

Following its investigation and an unsuccessful settlement procedure, on 21 May 2014, the European Commission sent a statement of objection 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.

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 SA and Crédit Agricole CIB, the New York Federal District Court, ruling on a new request by the plaintiffs, excluded Crédit Agricole SA 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.

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.

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.

NOTE 16 Home purchase savings schemes

Customer assets in home purchase savings accounts and schemes during the savings phase

(in millions of euros)	31/12/2019	31/12/2018
HOME PURCHASE SAVINGS SCHEMES		
Under 4 years old	5,728	11,256
Between 4 and 10 years old	44,635	35,293
Over 10 years old	45,108	45,628
Total home purchase savings schemes	**95,471**	**97,177**
Total home purchase savings accounts	**10,635**	**10,351**
TOTAL CUSTOMER ASSETS UNDER HOME PURCHASE SAVINGS CONTRACTS	**106,106**	**102,528**

Refer to the glossary page 647 for the definition of the technical terms.

Provision for home purchase savings accounts and schemes

(in millions of euros)	31/12/2019	31/12/2018
HOME PURCHASE SAVINGS SCHEMES		
Under 4 years old	-	-
Between 4 and 10 years old	-	-
Over 10 years old	266	177
Total home purchase savings schemes	**266**	**177**
Total home purchase savings accounts	**-**	**-**
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**266**	**177**

(in millions of euros)	01/01/2019	Depreciation charges	Reversals	31/12/2019
Home purchase savings schemes	177	89	-	266
Home purchase savings accounts	-	-	-	-
TOTAL PROVISIONS FOR HOME PURCHASE SAVINGS CONTRACTS	**177**	**89**	**-**	**266**

NOTE 17 Employment-related commitments – Post-employment benefits, defined-benefit plans

Change in actuarial liability

(in millions of euros)	31/12/2019	31/12/2018
Actuarial liability at 31/12/Y-1	**327**	**338**
Current service cost	14	16
Financial cost	4	3
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	(31)	4
Changes in scope	3	(4)
Severance payments	-	-
Benefits paid (mandatory)	(9)	(17)
Actuarial (gains)/losses	20	(13)
ACTUARIAL LIABILITY AT 31/12/N(1)	**328**	**327**

(1) The actuarial liability excludes commitments for long-service awards.

Breakdown of charge recognised in the income statement

(in millions of euros)	31/12/2019	31/12/2018
Service cost	14	16
Financial cost	3	3
Expected return on assets	-	-
Past service cost	-	4
Net actuarial (gains)/losses	17	(17)
(Gains)/losses on plan withdrawals and settlements	(31)	-
(Gains)/losses due to changes in asset restrictions	-	-
NET EXPENSE RECOGNISED IN INCOME STATEMENT	**3**	**6**

Changes in fair value of plan assets

(in millions of euros)	31/12/2019	31/12/2018
Fair value of assets/reimbursement rights at 31/12/Y-1	**305**	**309**
Expected return on assets	-	-
Actuarial gains/(losses)[1]	3	4
Employer contributions	-	7
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	-
Changes in scope	4	2
Severance payments	-	-
Benefits paid out under the benefit plan	(9)	(17)
FAIR VALUE OF ASSETS / REIMBURSEMENT RIGHTS AT 31/12/N	**303**	**305**

(1) Interest on reimbursement rights.

Net position

(in millions of euros)	31/12/2019	31/12/2018
Actuarial liability at 31/12/Y	**(328)**	**(327)**
Impact of asset restriction	-	-
Fair value of assets at end of period	303	305
NET POSITION (LIABILITIES)/ASSETS AT 31/12/Y	**(25)**	**(22)**

NOTE 18 Fund for General Banking Risk (FGBR)

(in millions of euros)	31/12/2019	31/12/2018
Fund for General Banking Risk	1,194	1,152
CARRYING AMOUNT	**1,194**	**1,152**

NOTE 19 Subordinated debt – Analysis by residual maturity

							31/12/2019	31/12/2018
(in millions of euros)	≤3 months	>3 months ≤1 year	>1 year ≤5 years	>5 years	Total principal	Accrued interest	**Total**	**Total**
Fixed-term subordinated debt	**-**	**1,123**	**1,822**	**14,711**	**17,656**	**170**	**17,826**	**17,980**
Euro	-	1,123	1,380	10,333	12,836	114	**12,950**	**13,832**
Other European Union currencies	-	-	442	-	442	1	**443**	**418**
Swiss Franc	-	-	-	110	110	1	**111**	**108**
Dollar	-	-	-	2,457	2,457	38	**2,495**	**2,437**
Yen	-	-	-	1,221	1,221	5	**1,226**	**1,185**
Other currencies	-	-	-	590	590	11	**601**	**-**
Participating securities and loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other subordinated term loans	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Undated subordinated debt[1]	**-**	**-**	**-**	**5,855**	**5,855**	**41**	**5,896**	**7,067**
Euro	-	-	-	1,251	1,251	4	**1,255**	**1,623**
Other European Union currencies	-	-	-	714	714	10	**724**	**901**
Swiss Franc	-	-	-	-	-	-	**-**	**-**
Dollar	-	-	-	3,890	3,890	27	**3,917**	**4,543**
Yen	-	-	-	-	-	-	**-**	**-**
Other currencies	-	-	-	-	-	-	**-**	**-**
Investment of own funds of Local Banks	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Mutual security deposits	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
CARRYING AMOUNT	**-**	**1,123**	**1,822**	**20,566**	**23,511**	**211**	**23,722**	**25,047**

(1) Residual maturity of undated subordinated debt classified by default in >5 years.

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 20 Changes in equity (before appropriation)

Changes in equity

	Equity							
(in millions of euros)	Share capital	Legal reserve	Statutory reserve	Share premiums, other reserves and retained earnings	Translation/ revaluation adjustments	Regulated provisions and investment subsidies	Net income	Total equity
Balance at 31/12/2017	**8,538**	**854**	**436**	**37,687**	**-**	**15**	**1,564**	**49,094**
Dividends paid in respect of 2017	-	-	-	(1,802)	-	-	-	**(1,802)**
Change in share capital	61	-	(95)	-	-	-	-	**(34)**
Change in share premiums and reserves	-	-	-	-	-	-	-	**-**
Appropriation of 2017 parent company net income	-	-	-	170	-	-	-	**170**
Retained earnings	-	-	-	1,564	-	-	(1,564)	**-**
Net income/(loss) for 2018	-	-	-	-	-	-	2,740	**2,740**
Other changes	-	-	-	(9)	-	-		**(9)**
Balance at 31/12/2018	**8,599**	**854**	**341**	**37,610**	**-**	**15**	**2,740**	**50,159**
Dividends paid in respect of 2018	-	-	-	(1,976)	-	-	-	**(1,976)**
Change in share capital	55	-	-	-	-	-	-	**55**
Change in share premiums and reserves	-	6	-	90	-	-	-	**96**
Appropriation of 2018 parent company net income	-	-	-	2,740	-	-	(2,740)	**-**
Retained earnings	-	-	-	-	-	-	-	**-**
Net income/(loss) for 2019	-	-	-	-	-	-	2,016	**2,016**
Other changes	-	-	-	(1)	-	(3)	-	**(4)**
BALANCE AT 31/12/2019	**8,654**	**860**	**341**	**38,463**	**-**	**12**	**2,016**	**50,346**

The amount of dividends paid by Crédit Agricole S.A. in 2019 amounted to -€1,976.19, after the neutralisation of dividends on treasury shares in the amount of €1,7 million.

€55 million capital increase reserved for employees on 31 July 2019.

NOTE 21 Composition of capital

(in millions of euros)	31/12/2019	31/12/2018
Equity	50,346	50,159
Fund for general banking risk	1,194	1,152
Subordinated debt and participating securities	23,722	25,047
Mutual security deposits	-	-
TOTAL CAPITAL	**75,262**	**76,358**

NOTE 22 Transactions with subsidiaries and affiliates and equity investments

(in millions of euros)	31/12/2019	31/12/2018
Loans and receivables	**458,909**	**422,758**
Credit and other financial institutions	450,312	415,080
Customers	1,769	1,658
Bonds and other fixed Income securities	6,828	6,020
Liabilities	**170,107**	**148,899**
Credit and other financial institutions	167,641	146,177
Customers	2,466	2,722
Debt securities and subordinated debt	-	-
Commitments given	**12,909**	**13,521**
Financing commitments given to credit institutions	402	497
Financing commitments given to customers	-	-
Guarantees given to credit institutions	6,184	5,614
Guarantees given to customers	6,323	7,410
Securities acquired with repurchase options	-	-
Other commitments given	-	-

NOTE 23 Foreign currency denominated transactions

Analysis of the balance sheet by currency

	31/12/2019		31/12/2018	
(in millions of euros)	Assets	Liabilities	Assets	Liabilities
Euro	582,709	559,075	548,882	531,930
Other European Union currencies	3,615	3,764	2,883	2,689
Swiss Franc	7,474	5,207	7,407	4,724
Dollar	12,733	22,509	13,236	18,427
Yen	353	7,332	492	8,244
Other currencies	1,208	1,849	1,180	1,026
Gross amount	**608,092**	**599,736**	**574,080**	**567,040**
Loans and receivables, accrued interest, accruals, prepayments, deferred income and sundry assets and liabilities	13,262	16,499	13,853	16,194
Impairment	(5,119)	-	(4,699)	-
TOTAL	**616,235**	**616,235**	**583,234**	**583,234**

NOTE 24 Foreign exchange transactions, foreign currency loans and borrowing

	31/12/2019		31/12/2018	
(in millions of euros)	To be received	To be delivered	To be received	To be delivered
Spot foreign exchange transactions	**66**	**66**	**60**	**60**
■ Foreign currencies	30	36	29	40
■ Euros	36	30	31	20
Forward currency transactions	**23,547**	**23,318**	**16,292**	**15,944**
■ Foreign currencies	20,938	3,894	14,219	3,281
■ Euros	2,609	19,424	2,073	12,663
Foreign currency denominated loans and borrowings	**19**	**118**	**33**	**36**
TOTAL	**23,632**	**23,502**	**16,385**	**16,040**

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 25 Transactions involving forward financial instruments

(in millions of euros)	Hedging transactions	Non-hedging transactions	31/12/2019 Total	31/12/2018 Total
Futures and forwards	**548,608**	**315,225**	**863,833**	**818,779**
Exchange-traded(1)	-	-	-	-
Interest rate futures	-	-	-	-
Currency forwards	-	-	-	-
Equity and stock index forwards	-	-	-	-
Other forwards	-	-	-	-
Over-the-counter(1)	**548,608**	**315,225**	**863,833**	**818,779**
Interest rate swaps	544,135	315,224	859,359	811,941
Other interest rate forwards	-	-	-	-
Currency forwards	3,257	1	3,258	5,139
FRAs	-	-	-	-
Equity and stock index forwards	1,216	-	1,216	1,699
Other forwards	-	-	-	-
Options	**1,365**	**-**	**1,365**	**1,130**
Exchange-traded	-	-	-	-
Interest rate futures	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Equity and stock index futures	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Currency forwards	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Over-the-counter	**1,365**	**-**	**1,365**	**1,130**
Interest rate swap options	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Interest rate forwards	-	-	-	-
Bought	1,365	-	1,365	1,130
Sold	-	-	-	-
Currency forwards	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Equity and stock index forwards	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Other options	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
Credit derivatives	**-**	**-**	**-**	**-**
Credit derivative contracts	-	-	-	-
Bought	-	-	-	-
Sold	-	-	-	-
TOTAL	**549,973**	**315,225**	**865,198**	**819,909**

(1) The amounts shown in respect of futures and forwards correspond to aggregate long and short positions (interest rate swaps and interest rate swap options), or to aggregate purchases and sales of contracts (other contracts).

25.1 TRANSACTIONS ON FORWARD FINANCIAL INSTRUMENTS – NOTIONAL OUTSTANDING BY RESIDUAL MATURITY

	Total 31/12/2019			o/w over-the-counter			o/w exchange-traded and equivalent		
(in millions of euros)	≤1 year	>1 year ≤5 years	>5 years	≤1 year	>1 year ≤5 years	>5 years	≤1 year	>1 year ≤5 years	>5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	1,679	1,579	-	1,679	1,579	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest rate swaps	484,588	191,089	183,682	484,588	191,089	183,682	-	-	-
Caps, floors, collars	-	1,030	335	-	1,030	335	-	-	-
Interest rate forwards	-	-	-	-	-	-	-	-	-
Equity and index forwards	-	651	565	-	651	565	-	-	-
Equity and index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metal derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**486,267**	**194,349**	**184,582**	**486,267**	**194,349**	**184,582**	**-**	**-**	**-**
Currency swaps	2,392	11,342	12,607	2,392	11,342	12,607	-	-	-
Forward currency transactions	20,524	-	-	20,524	-	-	-	-	-
Subtotal	**22,916**	**11,342**	**12,607**	**22,916**	**11,342**	**12,607**	**-**	**-**	**-**
TOTAL	**509,183**	**205,691**	**197,189**	**509,183**	**205,691**	**197,189**	**-**	**-**	**-**

	Total 31/12/2018			o/w over-the-counter			o/w exchange-traded and equivalent		
(in millions of euros)	≤1 year	>1 year ≤5 years	>5 years	≤1 year	>1 year ≤5 years	>5 years	≤1 year	>1 year ≤5 years	>5 years
Futures	-	-	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-	-	-	-
Currency futures	3,294	1,845	-	3,294	1,845	-	-	-	-
FRAs	-	-	-	-	-	-	-	-	-
Interest rate swaps	348,160	263,418	200,363	348,160	263,418	200,363	-	-	-
Caps, floors, collars	100	1,030	-	100	1,030	-	-	-	-
Interest rate forwards	-	-	-	-	-	-	-	-	-
Equity and index forwards	431	342	926	431	342	926	-	-	-
Equity and index options	-	-	-	-	-	-	-	-	-
Equity, equity index and precious metal derivatives	-	-	-	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-	-	-	-
Subtotal	**351,985**	**266,635**	**201,289**	**351,985**	**266,635**	**201,289**	**-**	**-**	**-**
Currency swaps	4,513	10,241	11,520	4,513	10,241	11,520	-	-	-
Forward currency transactions	5,961	-	-	5,961	-	-	-	-	-
Subtotal	**10,474**	**10,241**	**11,520**	**10,474**	**10,241**	**11,520**	**-**	**-**	**-**
TOTAL	**362,459**	**276,876**	**212,809**	**362,459**	**276,876**	**212,809**	**-**	**-**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

25.2 FORWARD FINANCIAL INSTRUMENTS – FAIR VALUE

(in millions of euros)	Fair Value Positive at 31/12/2019	Fair Value Negative at 31/12/2019	Notional outstanding at 31/12/2019	Fair Value Positive at 31/12/2018	Fair Value Negative at 31/12/2018	Notional outstanding at 31/12/2018
Futures	-	-	-	-	-	-
Currency options	-	-	-	-	-	-
Interest rate options	-	-	-	-	-	-
Currency futures	-	-	3,258	-	-	5,139
FRAs	-	-	-	-	-	-
Interest rate swaps	16,697	10,589	859,359	13,958	11,381	811,941
Caps, floors, collars	16	8	1,365	17	14	1,130
Interest rate forwards	-	-	-	-	-	-
Equity and index forwards	134	-	1,216	121	71	1,699
Equity and index options	-	-	-	-	-	-
Equity, equity index and precious metal derivatives	-	-	-	-	-	-
Credit derivatives	-	-	-	-	-	-
Subtotal	**16,847**	**10,597**	**865,198**	**14,096**	**11,466**	**819,909**
Currency swaps	169	95	26,341	166	68	26,274
Forward currency transactions	5	25	20,524	1	8	5,961
Subtotal	**174**	**120**	**46,865**	**167**	**76**	**32,235**
TOTAL	**17,020**	**10,717**	**912,063**	**14,263**	**11,542**	**852,144**

NOTE 26 Information on counterparty risk on derivative products

	31/12/2019			31/12/2018		
(in millions of euros)	Market value	Potential credit risk(1)	Total counterparty risk	Market value	Potential credit risk(1)	Total counterparty risk
Risk regarding OECD governments, central Banks and similar organisations	-	-	-	-	-	-
Risk regarding OECD financial institutions and similar organisations	17,020	1,805	18,825	14,263	2,150	16,413
Risk on other counterparties	-	-	-	-	-	-
Total before impact of netting contracts	**17,020**	**1,805**	**18,825**	**14,263**	**2,150**	**16,413**
O/w risk on:						
▪ Interest rate, exchange rate and commodities contracts	16,886	1,725	18,611	14,142	2,063	16,205
▪ Equity and index derivative contracts	134	80	214	121	87	208
Total before impact of netting contracts	**17,020**	**1,805**	**18,825**	**14,263**	**2,150**	**16,413**
Impact of netting and collateralisation contracts	-	-	-	-	-	-
TOTAL AFTER IMPACT OF NETTING AND COLLATERALISATION CONTRACTS	**17,020**	**1,805**	**18,825**	**14,263**	**2,150**	**16,413**

(1) Calculated under CRR/CRD 4 regulatory standards.

NOTE 27 Commitments and guarantees given and received

(in millions of euros)	31/12/2019	31/12/2018
COMMITMENTS GIVEN		
Financing commitments	**5,296**	**5,115**
Commitments given to credit institutions	5,296	5,115
Commitments given to customers	-	-
▪ Confirmed credit lines	-	-
Documentary credits	-	-
Other confirmed credit lines	-	-
▪ Other commitments given to customers	-	-
Guarantee commitments	**16,521**	**17,369**
Credit institutions	6,357	5,968
▪ Confirmed documentary credit lines	-	-
▪ Other	6,357	5,968
Customers	10,164	11,401
▪ Property guarantees	-	-
▪ Other customer guarantees	10,164	11,401
Securities commitments	**10**	**31**
Securities acquired with repurchase options	-	-
Other commitments to be given	10	31
COMMITMENTS RECEIVED		
Financing commitments	**65,744**	**60,820**
Commitments received from credit institutions	65,744	60,820
Commitments received from customers	-	-
Guarantee commitments	**12,200**	**12,272**
Commitments received from credit institutions	12,198	12,270
Commitments received from customers	2	2
▪ Guarantees received from government bodies or similar institutions	-	-
▪ Other guarantees received	2	2
Securities commitments	**-**	**20**
Securities sold with repurchase options	-	-
Other commitments received	-	20

NOTE 28 Net interest and similar income

(in millions of euros)	31/12/2019	31/12/2018
Interbank transactions	2,167	2,020
Crédit Agricole internal transactions	2,713	2,864
Customer transactions	176	256
Bonds and other fixed-income securities	1,105	1,433
Net gains on macro-hedging transactions	769	932
Debt securities	2,677	2,522
Other interest income	91	86
Interest and similar income	9,698	10,113
Interbank transactions	**(1,549)**	**(1,667)**
Crédit Agricole internal transactions	(1,013)	(1,117)
Customer transactions	(4,191)	(4,029)
Net losses on macro-hedging transactions	-	-
Bonds and other fixed-income securities	(726)	(703)
Debt securities	(3,745)	(3,889)
Other interest expense	(37)	(6)
Interest and similar expenses	**(11,261)**	**(11,411)**
TOTAL NET INTEREST AND SIMILAR INCOME	**(1,563)**	**(1,298)**

NOTE 29 Income from securities

(in millions of euros)	31/12/2019	31/12/2018
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	2,712	3,860
Short-term investment securities and medium-term portfolio securities	-	-
Other securities transactions	-	-
TOTAL INCOME FROM VARIABLE-INCOME SECURITIES	**2,712**	**3,860**

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 30 Net fee and commission income

(in millions of euros)	31/12/2019			31/12/2018		
	Income	Expense	Net	Income	Expense	Net
Interbank transactions	128	(21)	107	104	(19)	85
Crédit Agricole internal transactions	805	(479)	326	757	(507)	250
Customer transactions	-	-	-	-	-	-
Securities transactions	-	(2)	(2)	-	-	-
Foreign exchange transactions	-	-	-	-	-	-
Forward financial instruments and other off-balance sheet transactions	-	-	-	-	-	-
Financial services	39	(94)	(55)	42	(122)	(80)
Provisions for fee and commission risks	-	-	-	-	-	-
TOTAL NET FEE AND COMMISSION INCOME	**972**	**(596)**	**376**	**903**	**(648)**	**255**

NOTE 31 Net gains (losses) on trading book

(in millions of euros)	31/12/2019	31/12/2018
Net gains (losses) on trading securities	11	(9)
Net gains (losses) on foreign exchange transactions and similar financial instruments	(46)	(100)
Net gains (losses) on other forward financial instruments	9	4
NET GAINS (LOSSES) ON TRADING BOOK	**(26)**	**(105)**

NOTE 32 Gains (Losses) on short-term investment portfolio and similar

(in millions of euros)	31/12/2019	31/12/2018
SHORT-TERM INVESTMENT SECURITIES		
Impairment losses	(3)	(7)
Reversal of impairment losses	8	11
Net impairment losses/reversals	**5**	**4**
Gains on disposals	10	177
Losses on disposals	-	(6)
Net gains (losses) on disposals	**10**	**171**
Net gains (losses) on short-term investment securities	**15**	**175**
MEDIUM-TERM PORTFOLIO SECURITIES	-	-
Impairment losses	-	-
Reversal of impairment losses	-	-
Net impairment losses/reversals	**-**	**-**
Gains on disposals	-	-
Losses on disposals	-	-
Net gains (losses) on disposals	**-**	**-**
Net gains (losses) on medium term portfolio securities	**-**	**-**
GAINS (LOSSES) ON SHORT TERM INVESTMENT PORTFOLIO AND SIMILAR	**15**	**175**

NOTE 33 Other banking income and expenses

(in millions of euros)	31/12/2019	31/12/2018
Other income	6	173
Share of joint ventures	-	-
Charge-backs and expense reclassifications	28	19
Reversal of provisions	5	-
Other banking income	**39**	**192**
Sundry expenses	(43)	(141)
Share of joint ventures	(8)	(7)
Charge-backs and expense reclassifications	(1)	-
Additions to provisions	-	(23)
Other banking expenses	**(52)**	**(171)**
TOTAL OTHER BANKING INCOME AND EXPENSES	**(13)**	**21**

NOTE 34 Operating expenses

(in millions of euros)	31/12/2019	31/12/2018
EMPLOYEE EXPENSES(1)		
Wages and salaries	(177)	(169)
Social security costs	(112)	(92)
o/w contributions to defined-contribution post-employment benefit plans	(32)	(32)
Profit-sharing and incentive plans	(14)	(17)
Payroll-related tax	(28)	(31)
Total employee expenses	**(331)**	**(309)**
Charge-backs and reclassification of employee expenses	29	29
Net employee expenses	**(302)**	**(280)**
ADMINISTRATIVE EXPENSES(2)		
Taxes other than on income or payroll-related	(29)	(47)
External services, other administrative expenses and regulatory contributions(3)	(518)	(476)
Total administrative costs	**(547)**	**(523)**
Charge-backs and reclassification of administrative costs	71	66
Net administrative expenses	**(476)**	**(457)**
OPERATING EXPENSES	**(778)**	**(737)**

(1) At 31 December 2019, the compensation of members of the Board of Directors and the Executive Committee paid by Crédit Agricole S.A. amounted to €27.9 million, €3.8 million of which in post-employment benefits.

(2) Information on fees paid to Statutory Auditors is indicated in the notes to the consolidated financial statements of Crédit Agricole S.A.

(3) Of which €83.1 million in respect of the contribution to the Single Resolution Fund.

Headcount by category

(Average number of active employees in proportion to activity)

Employee categories	31/12/2019	31/12/2018
Managers	1,585	1,623
Non managers	117	170
Total average headcount	**1,702**	**1,793**
Of which:		
▪ France	1,685	1,776
▪ Abroad	17	17
Of which: detached employees	139	149

NOTE 35 Cost of risk

(in millions of euros)	31/12/2019	31/12/2018
Additions to provisions and impairment losses	**(166)**	**(12)**
Impairment of doubtful loans	-	-
Other additions to provisions and impairment losses	(166)	(12)
Reversal of provisions and impairment losses	**121**	**10**
Reversal of impairment of doubtful loans	-	3
Other reversals of provisions and impairment losses	121	7
Change in provisions and impairment losses	**(45)**	**(2)**
Losses on non-impaired irrecoverable loans	(11)	
Losses on impaired irrecoverable loans	(119)	(5)
Discounts on restructured loans	-	-
Recoveries on loans written off	162	2
Other losses	-	(4)
Other gains	-	-
COST OF RISK	**(13)**	**(9)**

Refer to the glossary page 647 for the definition of the technical terms.

NOTE 36 Net gains (losses) on fixed assets

(in millions of euros)	31/12/2019	31/12/2018
FINANCIAL INVESTMENTS		
Impairment losses	**(550)**	**(447)**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(550)	(447)
Reversal of impairment losses	**231**	**410**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	231	410
Net impairment losses/reversals	**(319)**	**(37)**
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(319)	(37)
Gains on disposals	**85**	**16**
Long-term investment securities	3	1
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	82	15
Losses on disposals	**(60)**	
Long-term investment securities	-	-
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	(60)	-
Losses on receivables from equity investments	-	-
Net gains (losses) on disposals	**25**	**16**
Long-term investment securities	3	1
Investments in subsidiaries and affiliates, equity investments and other long-term equity investments	22	15
Net gains (losses)	**(294)**	**(21)**
PROPERTY, PLANT & EQUIPMENT AND INTANGIBLE ASSETS		
Gains on disposals	2	11
Losses on disposals	-	-
Net gains (losses)	**2**	**11**
NET GAINS (LOSSES) ON FIXED ASSETS	**(292)**	**(10)**

NOTE 37 Income tax charge

(in millions of euros)	31/12/2019	31/12/2018
Income tax charge(1)	730	1,625
Net reversal of tax provisions under the tax consolidation scheme	915	(987)
NET BALANCE	**1,644**	**638**

(1) The tax gain mainly consists of the taxes that Crédit Agricole S.A., as head of the tax consolidation group, collected from the subsidiaries included in the tax consolidation scheme.

NOTE 38 Presence in non-cooperative States and territories

At 31 December 2019, Crédit Agricole S.A. had no direct or indirect presence in non-cooperative States or territories within the meaning of Article 238-0A of the French General Tax Code.

Refer to the glossary page 647 for the definition of the technical terms.

STATUTORY AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

This is a translation into English of the Statutory Auditors' report on the financial statements of the Company issued in French and is provided solely for the convenience of English-speaking readers. This Statutory Auditors' report includes information specifically required by European regulations and French law, such as information about the appointment of the Statutory Auditors or verification of the management report and other documents provided to the shareholders. This report should be read in conjunction with, and construed in accordance with, French law and professional auditing standards applicable in France.

(Year ended 31 December 2019)

To the General Meeting of Shareholders of Crédit Agricole SA,

OPINION

In compliance with the engagement entrusted to us by your General Meeting of Shareholders, we have audited the accompanying financial statements of Crédit Agricole SA for the year ended 31 December 2019.

In our opinion, the financial statements give a true and fair view of the assets and liabilities and of the financial position of the Company at 31 December 2019 and of the results of its operations for the year then ended in accordance with French accounting principles.

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 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.

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 financial statements, as well as how we addressed those risks.

These matters were addressed as part of our audit of the financial statements as a whole, and therefore contributed to the opinion we formed as expressed above. We do not provide a separate opinion on specific items of the financial statements.

Refer to the glossary page 647 for the definition of the technical terms.

Risks concerning the measurement of equity investments and subsidiaries whose valuation requires judgement

Description of the risk	Our response
Equity investments and subsidiaries are recognised at cost and impaired based on their value in use, corresponding to the price that the Company would be willing to pay to acquire them in line with its ownership objectives. Value in use can be determined by different aspects, among which profitability and the profitability outlook of the company concerned. In that case, value in use is determined by discounting the estimated future cash flows generated by the CGU, as set out in the 2020-2022 medium-term financial forecasts *(Plan Moyen Terme)* and extended over two years. The percentage of capital allocation is determined by taking into account, when they exist, specific requirements set by the regulator (in particular Pillar 2). We deemed the measurement of equity investments and subsidiaries, whose valuation requires judgement, to be a key audit matter. Indeed, determining value in use requires the exercise of judgement regarding the structuring assumptions used in particular to determine economic scenarios, financial forecasts or discount rates. We paid particular attention to the determination of the values in use of LCL and CA Italia, given their sensitivity to the assumptions used by management. Equity investments and subsidiaries recorded in the balance sheet amounted to a net value of €64.3 billion, including €4.6 billion in impairment at 31 December 2019. The carrying amount of LCL totalled €9,5 billion and that of Cariparma €4.5 billion. See Notes 2.2 and 6 to the financial statements.	We obtained an understanding of the procedures implemented to determine value in use and related impairments of equity investments and subsidiaries whose valuation requires judgement. We included valuation experts in the audit team to examine the assumptions used to determine the discount rates and the perpetual growth rates used in the discounted cash flow calculation model. We tested the calculations and the main assumptions (percentage of capital allocation, discount rate, perpetual growth rate, *etc.*) were compared with external sources. The financial forecasts prepared by the management of each concerned entity and used in the model, were examined to: ▪ make sure they were approved by the competent bodies (Board of Directors or Supervisory Board) of the entities or sub-groups, and that any restatements made were justified; ▪ assess the main underlying assumptions, including the extension of financial forecasts beyond the three-year period which was submitted to the entities' competent bodies. These assumptions were, in particular, assessed in light of the financial forecasts made during prior periods and compared to actual performance/results; ▪ conduct sensitivity tests to certain assumptions (level of capital allocated, discount rate, cost of risk, cost to income ratio). We also examined the disclosures provided in the notes to the financial statements on the value in use of equity investments and subsidiaries whose valuation requires judgement.

Legal, compliance and tax risks

Description of the risk	Our response
Crédit Agricole SA is the subject of legal and arbitral proceedings as well as of several investigations and regulatory information requests from different regulators. Such proceedings, investigations and requests are related, in particular, to the EURIBOR/LIBOR and SSA Bonds matters with authorities from various countries (USA, UK, Switzerland) and the European Union. A number of tax investigations are also ongoing. Deciding whether or not to recognise a provision or a debt collection and the amount thereof requires the use of judgement, due to the difficulty of assessing the outcome of the ongoing disputes or the uncertainty relating to certain tax treatments namely within the framework of certain structural transactions. Given the importance of judgement, these assumptions constitute a significant risk of material misstatement in the financial statements and therefore a key audit matter. The various ongoing investigations, information requests, tax inspections or litigation at 31 December 2019, are set out in Notes 1.3 and 15 to the financial statements.	We obtained an understanding of the process set up by Management for collecting and measuring the risks resulting from those disputes, the tax uncertainties as well as, where applicable, the provisions and debts associated with these matters, through quarterly exchanges with management and in particular the Legal, Compliance and Tax departments of the bank. Our work consisted primarily in: ▪ examining the assumptions used to determine provisions based on available information (documentation prepared by the Legal or Tax department or legal counsels of Crédit Agricole SA, correspondence with regulators and minutes of Legal Risks Committee meetings); ▪ obtaining an understanding of the analyses or findings of the bank's legal counsel and their responses to our requests for confirmation; ▪ regarding tax risks specifically, examining, with guidance from our Tax specialists, the Company's responses submitted to the relevant authorities, as well as the risk estimates carried out by the bank; ▪ assessing, accordingly, the level of provisioning at 31 December 2019. Lastly, we examined the related disclosures provided in the notes to the financial statements.

SPECIFIC VERIFICATIONS

In accordance with professional standards applicable in France, we have also performed the specific verifications required by French legal and regulatory provisions.

INFORMATION GIVEN IN THE MANAGEMENT REPORT AND IN THE OTHER DOCUMENTS WITH RESPECT TO THE COMPANY'S FINANCIAL POSITION AND THE FINANCIAL STATEMENTS PROVIDED TO THE SHAREHOLDERS

We have no matters to report as to the fair presentation and the consistency with the financial statements of the information given in the Board of Directors' management report and in the other documents with respect to the Company's financial position and the financial statements provided to the shareholders, with the exception of the following matter.

Concerning the fair presentation and the consistency with the financial statements of the disclosures provided in relation to the payment terms referred to in Article D.441-4 of the French Commercial Code, we have the following matter to report: as indicated in the management report, these disclosures do not include banking and related transactions as the Company considers that such disclosures are not within the scope of disclosures to be provided.

REPORT ON CORPORATE GOVERNANCE

We attest that the Board of Directors' report on corporate governance sets out the information required by Articles L.225-37-3 and L.225-37-4 of the French Commercial Code.

Concerning the information given in accordance with the requirements of Article L.225-37-3 of the French Commercial Code relating to remuneration and benefits received by corporate officers and any other commitments made in their favour, we have verified its consistency with the financial statements or with the underlying information used to prepare these financial statements, and, where applicable, with the information obtained by your Company from companies controlling it or controlled by it. Based on this work, we attest to the accuracy and fair presentation of this information.

Concerning the information given in accordance with the requirements of Article L.225-37-5 of the French Commercial Code relating to those items your Company has deemed liable to have an impact in the event of a takeover bid or exchange offer, we have verified its consistency with the underlying documents that were disclosed to us. Based on this work, we have no matters to report with regard to this information.

OTHER INFORMATION

In accordance with French law, we have verified that the required information concerning the acquisition of investments and controlling interests and the identity of shareholders and holders of the voting rights has been properly disclosed in the management report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Appointment of the Statutory Auditors

We were appointed Statutory Auditors of Crédit Agricole SA by your General Meeting of Shareholders held on 19 May 2004 for PricewaterhouseCoopers Audit and in 1985 for ERNST & YOUNG et Autres.

At 31 December 2019, PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were in the sixteenth and the thirty-fifth consecutive year of their engagement, respectively.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for preparing financial statements giving a true and fair view in accordance with French accounting principles, and for implementing the internal control procedures it deems necessary for the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the 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 financial statements were approved by the Board of Directors.

Refer to the glossary page 647 for the definition of the technical terms.

RESPONSIBILITIES OF THE STATUTORY AUDITORS RELATING TO THE AUDIT OF THE FINANCIAL STATEMENTS

Objective and audit approach

Our role is to issue a report on the financial statements. Our objective is to obtain reasonable assurance about whether the 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 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 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 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 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 financial statements and assess whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit Committee

We submit a report to the Audit Committee which includes, in particular, 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 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, 23 March 2020

The Statutory Auditors

PricewaterhouseCoopers Audit	ERNST & YOUNG et Autres
Anik Chaumartin	Olivier Durand

8 GENERAL INFORMATION

Refer to the glossary page 647 for the definition of the technical terms.

2020 General Meeting
Wednesday 13 May at 10:30 a.m.

Agenda and draft resolutions available for review
in the notice of meeting brochure and the website at
www.credit-agricole.com/en/finance/finance/individual-shareholders/annual-general-meeting

WARNING

Crédit Agricole S.A. informs its shareholders that, depending on how COVID-19 (coronavirus) develops, public authorities are likely to take measures to restrict travel and meetings, which could affect participation in general meetings. In such a case, Crédit Agricole S.A. will undertake every effort, in compliance with any measures that may be enacted, to ensure that its shareholders can assert their rights at general meetings in the most appropriate manner.

Crédit Agricole S.A. notes that, at the time of publication, and subject to any future legislative change, pursuant to the Decree of 15 March 2020 supplementing the Decree of 14 March 2020 on various measures to combat the spread of the COVID-19 virus, all gatherings of more than 100 people are prohibited in France. Consequently, access to the room where the General Meeting is to be held will therefore be limited.

We would like to remind shareholders that they may vote by mail or online without needing to be physically present at the Meeting.

In any case, Crédit Agricole S.A. encourages its shareholders to cast their vote either by mail using the "paper" form or online *via* Votacess, in accordance with the regulations and legislation, and to use the procedure provided for in regulations and legislation to submit any questions they wish to ask in writing to Crédit Agricole S.A.

We advise shareholders to regularly consult the section dedicated to the General Meeting on the Company's website at www.credit-agricole.com.

Refer to the glossary page 647 for the definition of the technical terms.

ARTICLES OF ASSOCIATION – UPDATED VERSION ON 31 JULY 2019

CRÉDIT AGRICOLE S.A.

A French company *("société anonyme")* with a share capital of €8,654,066,136

Registered with the Nanterre Trade and Company Registry under number 784 608 416

Registered office:

12, place des États-Unis, 92127 Montrouge Cedex

Article 1 – Form

Crédit Agricole S.A. (the **"Company"**) is a French company *("société anonyme")* with a Board of Directors *("Conseil d'administration")* governed by ordinary corporate law, notably Book II of the French Commercial Code.

Crédit Agricole S.A. is also subject to the provisions of the Monetary and Finance Code, in particular articles L. 512-47 *et seq.,* and those provisions of former Book V of the Rural Code which have not been repealed.

Prior to the Extraordinary General Meeting of 29 November 2001, the Company was called *"Caisse nationale de Crédit Agricole",* abbreviated "C.N.C.A."

The Company was born of the transformation of the "*Caisse nationale de Crédit Agricole",* an *"établissement public industriel et commercial",* following the merger of the Mutual Guarantee Fund of the *"Caisses régionales de Crédit Agricole Mutuel"* (the Regional Banks); it continues to hold all of the rights, obligations, guarantees and security interests of those legal entities prior to their transformation; it exercises all rights relating to mortgages granted in favour of the State.

Article 2 – Name

The name of the Company is: Crédit Agricole S.A.

In all deeds and documents of the Company that are intended for third parties, the corporate name shall be immediately preceded or followed by the words *"Société Anonyme"* or the initials "S.A.", *"régie par le livre deuxième du Code de commerce et par les dispositions du Code monétaire et financier"* ("governed by Book II of the French Commercial Code and the provisions of the Monetary and Finance Code") and by the amount of the share capital.

Article 3 – Object

Crédit Agricole S.A. has for object to facilitate and promote the activities and development of the "*Caisses régionales de Crédit Agricole Mutuel"* and the Crédit Agricole Group. In furtherance of this purpose:

1. Crédit Agricole S.A. operates as a central financial institution and ensures that the Group acts as a single financial unit in its dealings with third parties with the object of optimising the financial management of funds and, in return, the allocation of the financial resources so collected.

   Crédit Agricole S.A. collects and manages the excess deposits and savings of the Regional Banks, as well as savings collected by such Banks on its behalf.

   Crédit Agricole S.A. grants facilities to the Regional Banks to permit the funding of their medium and long-term loans. It ensures that the transformation risks pertaining to the Company, its subsidiaries and the Regional Banks are assumed. It implements the mechanisms for guaranteeing transactions by the *"Caisses régionales de Crédit Agricole Mutuel".* In its own name and on behalf of the companies in the Crédit Agricole Group, Crédit Agricole S.A. negotiates and enters into domestic and international agreements which may affect the credit of the Group. It executes all nation-wide agreements with the State.
2. In France and abroad, Crédit Agricole S.A. performs all types of banking, financial, credit, investment or securities transactions and related services under the Monetary and Finance Code, guaranty, arbitrage, brokerage and commission transactions, whether for its own account or for the account of others, without infringing on the remit of the *"Caisses régionales de Crédit Agricole Mutuel".*
3. In accordance with the provisions of the Monetary and Finance Code, as the Central Organ of Crédit Agricole Mutuel, Crédit Agricole S.A. ensures the cohesion of the Crédit Agricole Mutuel network, the proper operation of the credit institutions that are a part thereof, and compliance by such institutions with the applicable laws and regulations by exercising administrative, technical and financial supervision thereof; it guarantees the liquidity and solvency of the entire network and all institutions affiliated therewith.

And, as a general matter, Crédit Agricole S.A. engages in all types of commercial, financial, personal and real property transactions and provides all services directly or indirectly related to its purpose, provided that they are in furtherance thereof.

Article 4 – Registered office

The registered office of the Company is situated at 12, place des États-Unis, 92127 Montrouge Cedex.

Article 5 – Duration

The Company, born out of the transformation described in the last paragraph of article 1 of these Articles of Association, shall terminate on 31 December 2086 unless extended or dissolved in advance by the shareholders at an Extraordinary General Meeting.

Article 6 – Share capital

The share capital of the Company is €8,654,066,136 divided into 2,884,688,712 shares with a par value of €3, all of them paid up in full.

For purposes of these Articles of Association:

- **"General Meeting"** means the General Meeting of shareholders;
- **"Extraordinary General Meeting"** means the General Meeting convened to vote on extraordinary business;
- **"Ordinary General Meeting"** means the General Meeting convened to vote on ordinary business.

Article 7 – Changes in the share capital: capital increases, reductions and redemptions

A. Capital increases

1. The share capital may be increased by any method and in any manner authorised by law.
2. The Extraordinary General Meeting shall have exclusive authority to decide whether to increase the share capital or to authorise such a decision.
3. Pursuant to the applicable laws and regulations, holders of shares have a pre-emptive right to subscribe for shares and securities granting rights to shares in the Company, in proportion to the quantity of shares that they own.
4. In-kind contributions must be approved by the Extraordinary General Meeting, pursuant to the applicable laws and regulations.

B. Capital reductions

1. Capital reductions are decided or authorised by the Extraordinary General Meeting, which may delegate to the Board of Directors all powers for purposes of carrying out capital reductions.

Refer to the glossary page 647 for the definition of the technical terms.

2. Any capital reduction due to losses is allocated to the share capital among the different shares in proportion to the percentage of share capital they represent.

   Losses shall first be charged against the following accounts, in the following order: 1) retained earnings, 2) distributable reserves, 3) other reserves, 4) statutory reserves, 5) any share premiums, 6) the legal reserve, and 7) equity.

3. The Company may carry out capital reductions for reasons other than losses under the conditions stipulated by laws and regulations.

C. Redemption of the share capital

The share capital may be redeemed in accordance with articles L. 225-198 *et seq.* of the French Commercial Code.

Article 8 – Form of shares

The shares may be in registered or bearer form, at the holders' election, subject to applicable statutory and regulatory provisions.

They shall be registered in shareholders' accounts on the terms and conditions provided for by law. They may be transferred from account to account.

Article 9 – Declarations regarding reaching thresholds and shareholder identification

A. Declarations regarding reaching thresholds

Without prejudice to the ownership threshold disclosures provided by law, any person or legal entity, acting solely or with others, who directly or indirectly comes into possession of a number of shares representing 1% of the share capital or voting rights must inform the Company, by recorded delivery with advice of delivery, at its registered office, within five days of the date on which the shares enabling such person to reach or breach said threshold were registered, of the total number of shares and the number of voting rights it owns, as well as the total number of securities which may grant rights to the Company's equity in the future, any voting rights which may be attached thereto.

The said declaration must be renewed as set forth above each time that the number of shares or voting rights attains a multiple of a 1% threshold (through either a purchase or sale of shares) of the total shares or voting rights.

If a shareholder has not issued the required declarations as set forth above, he shall lose his right to vote on the shares exceeding the level which should have been reported, as provided for by law, if one or more holders of shares representing at least 2% of the shares or voting rights so request during a General Meeting.

B. Shareholder identification

In accordance with applicable laws and regulations, and in order to identify the holders of bearer securities, the Company shall have the right to request at any time, at its expense, that the central custodian of its securities account provide the name, nationality, year of birth or formation, and the address of the holders of securities which provide a present or future right to vote at its General Meetings, as well as the number of securities held by each and the restrictions, if any, which may apply to the said securities.

Based on the list provided by the central custodian, and subject to the same terms and conditions, the Company shall have the right to request, either from said central custodian or directly from the persons on the list who the Company feels may be acting as intermediaries on behalf of third party, the information regarding said securities holders set forth in the preceding paragraph.

If they are intermediaries, said persons must disclose the identity of the holders of said securities. The information should be provided directly to the financial intermediary that maintains the account and said entity must then transmit the information to the Company or to the central custodian.

For registered securities, the Company shall also have the right at any time to request that the intermediary that has registered on behalf of third parties disclose the identity of the holders of said securities and the number of securities held by each of them.

For so long as the Company feels that certain holders of securities (whether registered or bearer), the identity of which has been provided to it, are holding said securities on behalf of third parties, it shall have the right to request said holders to disclose the identity of the owners of the securities as set forth above and the number of securities held by each of them.

After the information set forth above has been requested, the Company shall have the right to request any legal entity which holds more than one-fortieth of the share capital or voting rights of the Company to disclose to the Company the identity of the persons who directly or indirectly hold more than one-third of the share capital or voting rights (which are exercised at the legal entity's General Meetings) of the said legal entity.

If a person who has been the subject of a request in accordance with the provisions of the present article 9.B. fails to disclose the requested information within the legally required period or discloses incomplete or incorrect information regarding its capacity or the holders of the securities, or the number of securities held by each of them, the shares or securities which give rise to present or future rights to the Company's share capital which said person has registered, shall immediately lose their voting rights at any General Meeting until complete information has been provided. Dividend payments shall also be suspended until that date.

In addition, in the event that the registered person deliberately misconstrues the above provisions, the court which has territorial jurisdiction over the Company's registered office may, at the request of the Company or of one or more shareholders holding at least 5% of the share capital, revoke in whole or in part the voting rights regarding which the information was requested and, possibly, the corresponding dividend payment of the shares, for a period which may not exceed five years.

Article 10 – Voting rights – Indivisibility of the shares – Rights and obligations attached to the shares

A. Voting rights

The voting rights attached to the Company's shares are proportional to the share capital that they represent and each share entitles its holder to one vote. The Company's shares (including any that might be freely allocated as part of a capital increase *via* a capitalisation of reserves, profits or issue premiums) do not carry double voting rights in accordance with the last sub-paragraph of article L. 225-123 of the French Commercial Code.

B. Indivisibility of the shares

The shares are indivisible with regard to the Company.

Voting rights attached to each share are exercised by the beneficial owner at Ordinary General Meetings and by the legal owner at Extraordinary General Meetings.

The joint owners of indivisible shares are represented at General Meetings by one of them or by a single representative. In the event of a dispute, their representative shall be appointed by the Court at the request of the first joint owner to refer this matter to the Court.

The right to the award of new shares following the capitalisation of reserves, profits or any share premiums belongs to the legal owner, subject to the rights of the beneficial owner.

C. Rights and obligations attached to the shares

1. Ownership of a share automatically entails compliance with the Articles of Association and with resolutions duly adopted by General Meetings.
2. Each share gives the holder the same right of ownership in the Company's assets and profits, as defined in article 31 "Dissolution - Liquidation" and article 30 "Determination, allocation and distribution of profit" herein.

   Each share gives the holder the right to attend General Meetings and to vote therein, under the conditions set forth by law and by the Articles of Association. Each share shall give the holder the right to cast one vote at General Meetings.
3. Whenever it is necessary to hold several shares to exercise a given right, such as in the case of an exchange, consolidation or allocation of shares, or as a result of an increase or reduction of the share capital regardless of whether this is due to accumulated losses, or in the case of a merger or other corporate transaction, the holders of individual shares, or those who do not own the required number of shares, may exercise such rights only if they personally arrange for the consolidation of the shares and purchase or sell the required number of shares or fractional shares, where necessary.

Article 11 – Board of Directors

1. The Company shall be governed by a Board of Directors composed of between 3 and 21 members, of which:

- at least three and no more than 18 directors shall be elected by the General Meeting in accordance with the provisions of article L. 225-18 of the French Commercial Code;
- one director representing the professional agricultural organisations, shall be appointed in accordance with the provisions of article L. 512-49 of the Monetary and Finance Code; and
- two directors shall be elected by the staff in accordance with articles L. 225-27 to L. 225-34 of the French Commercial Code.

The following individuals may also attend Board Meetings in an advisory capacity:

- non-voting Board Members appointed in accordance with article 12 of these Articles of Association; and
- one member of the Works Council designated thereby.

In the event that one of the positions held by the directors elected by the staff or by the director who represents the professional agricultural organisations becomes vacant, the Board of Directors whose Board Members are elected by the General Meeting may validly deliberate.

The age limit for directors is 65. When a director reaches the age of 65, he will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

2. Directors elected by the General Meeting of Shareholders

Directors elected by the General Meeting of Shareholders shall be natural persons or legal entities.

The term of office of directors is three years. However, a director appointed to replace another director whose term of office has not yet expired shall remain in office only for the balance of his predecessor's term.

Directors who are natural persons may not be elected to more than four consecutive terms of office. However, if a director is appointed to replace an outgoing director whose term of office has not yet expired, the director appointed for the remainder of the outgoing director's term may seek a fifth term, for a period not exceeding four consecutive terms of office. He will be deemed to have resigned at the end of the next Ordinary General Meeting following the twelfth anniversary of his first appointment.

A director's duties shall terminate at the end of the Ordinary General Meeting called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

With the exception of the directors elected by the staff and the director who represents the professional agricultural organisations, the renewal of the directors elected by the General Meeting of Shareholders shall be carried out in such a way as to ensure, to the extent possible, a gradual and balanced expiry of terms of office.

3. Director representing the professional agricultural organisations

The term of office of the director representing the professional agricultural organisations is three years. He may be re-appointed or removed at any time by the authority that appointed him.

4. Directors elected by the staff

The status and procedures for the election of the directors elected by the staff are set out in L. 225-27 *et seq.* of the French Commercial Code in the following provisions:

The term of office of the two directors elected by the staff is three years. Their duties terminate on the third anniversary of the date of their election and the Company shall take all steps necessary to hold a new election within the three-month period prior to the expiration of the term of said directors.

They may not be elected to more than four consecutive terms.

One of the directors is elected by the managerial staff, whilst the other is elected by the other employees of the Company.

In the event that the seat of a director elected by the staff falls vacant as a result of his death, resignation, removal or the termination of his employment contract, his successor shall take office immediately. If there is no successor able to carry out the director's duties, a new election shall be held within three months.

The first ballot of the election of directors by the staff shall be conducted in accordance with the following procedures:

The lists of voters, indicating their respective surnames, given names, dates and places of birth and domiciles, are prepared by the Chief Executive Officer and posted at least five weeks prior to the election date. One list of voters is prepared for each of the two groups. Within fifteen days after the lists are posted, any voter may submit a request to the Chief Executive Officer either that another voter who was omitted be registered, or that another voter who was erroneously registered be removed from the list. Within the same time period, any person whose name was omitted may also submit a request for registration.

The candidates must belong to the group whose votes they are seeking.

In each group of voters, each announcement of a candidacy must specify not only the name of the candidate, but also the name of any successor.

The Chief Executive Officer closes and posts the lists of candidates at least three weeks prior to the election date.

In the absence of a candidate for a given group, the seat of the director representing such group shall remain vacant for the entire term for which it would have been filled.

Results are recorded in minutes which shall be posted no later than three days after voting is closed. The Company shall keep a copy of the minutes in its records.

The organisation of elections and their requirements are determined by the Chief Executive Officer and shall be posted no less than five weeks prior to the date of the election.

Voting procedures are determined by articles L. 225-28 *et seq.* of the French Commercial Code. Any voter may vote either in person at the locations provided for that purpose, or by mail.

If no candidate for a given group obtains a majority of the votes cast on the first ballot, a second ballot shall be held within fifteen days.

Refer to the glossary page 647 for the definition of the technical terms.

Article 12 – Non-voting Directors

Upon recommendation from the Chairman, the Board of Directors may appoint one or more non-voting Directors.

Non-voting Directors shall be notified of and participate at meetings of the Board of Directors in an advisory capacity.

They are appointed for a term of three years and may not be reappointed for more than four terms. They may be dismissed by the Board at any time.

In consideration of services rendered, they may be remunerated as determined by the Board of Directors.

Article 13 – Directors' shares

Each director must own at least one share. If, on the date of his appointment or during his term of office, a director does not own or no longer owns at least one share and fails to correct this situation within three months, he will be deemed to have resigned.

Article 14 – Deliberations of the Board of Directors

1. The Board of Directors shall meet as often as the interests of the Company so require, upon notice by its Chairman, by any person authorised for that purpose by the Board of Directors, or by at least one-third of its members to address a specific agenda if the last meeting was held more than two months previously.

   If necessary, the Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda.

   Meetings may be held at the registered office or at any other place specified in the notice of the meeting.

   Generally, notice of a meeting shall be given at least three days in advance by letter or by any other means. However, if all of the directors so agree, notice may be given orally and need not be in advance.

   Notices of meetings shall set forth the principal items of business on the agenda.

2. The physical presence of at least one half of the directors is required for deliberations to be valid.

   At the Chairman's request, employees in positions of responsibility in the Group may attend Board Meetings.

   A majority of the votes of the directors present or represented is required for a resolution to pass. Each director has one vote and is not authorised to represent more than one of his fellow directors.

   The Chairman shall have the casting vote in the event of a tie.

   The directors and any individuals requested to attend the Board of Directors' Meetings must exercise discretion with respect to the Board's deliberations and any confidential information and documents described as such by the Chairman of the Board of Directors.

Article 15 – Powers of the Board of Directors

The Board of Directors determines and ensures compliance with the business focus of the Company.

Except for the powers expressly reserved to the General Meeting of Shareholders and within the limits established by the Company's purpose, the Board of Directors is responsible for all issues related to the Company's operations and business and deliberates on such issues. In its relations with third parties, the Company may be bound by the acts of the Board of Directors which fall outside the Company's object unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires.* The publication of the Articles of Association shall not constitute proof thereof.

The Board of Directors may conduct any inspections or audits that it deems necessary. Each director shall receive the information necessary to accomplish the Board's duties; management shall furnish to any director those documents that the said director deems necessary or appropriate.

The Board may decide to set up various committees to examine issues raised by itself or its Chairman and render an opinion.

The Board shall be responsible for determining the composition and powers of committees which do their work under its authority.

Article 16 – Chairmanship of the Board of Directors

In accordance with article L. 512-49 of the Monetary and Finance Code, the Board of Directors shall elect a Chairman from among its members who are Directors of a *Caisse régionale de Crédit Agricole Mutuel* and shall fix his term of office, which may not exceed his term of office as a director.

The Board of Directors shall elect one or more Vice-Chairmen whose term shall also be established by the Board, but which may not exceed his (their) term of office as a director.

The Chairman of the Board of Directors represents the Board of Directors. He organises and directs the activities thereof and reports to the General Meeting on its activities.

He is responsible for the proper operation of the Company's entities, and, in particular, insures that directors are able to fulfil their duties.

As an exception to the provisions of the last paragraph of article 11-1, the age limit for serving as Chairman of the Board of Directors is 67. Subject to this age limit, and as an exception to the provisions of article 11-2, paragraph 3 of the Articles of Association, a serving Chairman may seek a fifth consecutive term of office.

Article 17 – General management

A. Chief Executive Officer

In accordance with article L. 512-49 of the Monetary and Finance Code, the Board of Directors appoints the Chief Executive Officer of the Company, it may also terminate his appointment.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the Company. He may exercise his authority within the limits of the Company's object and subject to that authority expressly reserved to General Meetings and to the Board of Directors.

He represents the Company in its relations with third parties.

The Company shall be bound by those actions of the Chief Executive Officer which are *ultra vires* unless the Company can prove that the said third party knew that the act was *ultra vires* or that it could not have been unaware, in light of the circumstances, that the act was *ultra vires.* Publication of the Articles of Association shall not constitute proof thereof.

Provisions of the Articles of Association and decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

He shall attend the meetings of the Board of Directors.

He shall appoint all employees and fix their compensation, in accordance with the provisions of the Monetary and Finance Code.

He may delegate part of his authority to as many individuals as he deems advisable.

B. Deputy Chief Executive Officers

Upon recommendation of the Chief Executive Officer, the Board of Directors appoints one or more persons responsible for assisting the Chief Executive Officer who shall have the title "Deputy Chief Executive Officer" *("Directeur général délégué").*

With the consent of the Chief Executive Officer, the Board of Directors shall determine the scope and term of the authority granted to the Deputy Chief Executive Officers.

Deputy Chief Executive Officers shall have the same authority as the Chief Executive Officer with respect to third parties.

In the event that the Chief Executive Officer ceases or is unable to perform his duties, the Deputy Chief Executive Officers shall continue to perform their duties until the appointment of a new Chief Executive Officer, unless the Board of Directors decides otherwise.

Article 18 – General provision on age limits

Any officer or director who reaches the age limit set by the Articles of Association or the law shall be deemed to have resigned at the close of the Annual Ordinary General Meeting of Shareholders that follows said anniversary date.

Article 19 – Directors' remuneration

The General Meeting may elect to pay directors' fees. The Board of Directors shall allocate any such fees as it deems fit.

Article 20 – Statutory Auditors

Audits of the accounts shall be exercised in accordance with the law by two Statutory Auditors appointed by the Ordinary General Meeting of Shareholders.

The term of office of the Statutory Auditors shall be six financial years.

Statutory Auditors whose term of office expires may be re-appointed in compliance with the legal and regulatory provisions relating to their terms of office and turnover rates.

The Statutory Auditors may act jointly or separately, but must submit a joint report on the Company's accounts. They shall report to the Annual Ordinary General Meeting of Shareholders.

Article 21 – Shareholders' General Meetings

Collective resolutions shall be adopted at General Meetings which are either ordinary or extraordinary depending on the decisions they are called upon to take.

Article 22 – Notice and venue of Shareholders' General Meetings

General Meetings of Shareholders shall be convened and shall deliberate in accordance with the applicable laws and regulations.

General Meetings of Shareholders may be held at the registered office or at any other place specified in the notice of the meeting.

Article 23 – Agenda and minutes of General Meetings

The person calling the General Meeting shall draft the agenda for the General Meeting in accordance with the applicable laws and regulations.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

Article 24 – Access to General Meetings

A. Proxies

Any shareholder, regardless of the number of shares he/she owns, has the right to attend General Meetings, either in person or by proxy, subject to the conditions laid down by law and in these Articles of Association, by providing proof of identity and ownership of the shares, provided that the shares have been registered, either in his/her name or in the name of the intermediary registered on his/her behalf, by 12 midnight Paris time, on the second business day before the General Meeting:

- holders of registered shares must register their shares in the registered share accounts kept in the Company's registers;
- holders of bearer shares must deposit their shares in the bearer share accounts held by the authorised intermediary. This entry or filing is evidenced by a certificate of share ownership delivered by the intermediary or electronically, as applicable.

If a shareholder cannot attend the General Meeting in person or by proxy, he/she may participate in one of the following two ways:

- cast a vote remotely;

or

- forward a proxy to the Company without naming a proxy holder;

in accordance with the applicable laws and regulations.

B. Participation in General Meetings

If the shareholder has requested an admission card or a certificate of share ownership, or has cast his/her vote remotely or sent a proxy, he/she may no longer choose to take part in the General Meeting in another manner. However, he/she may sell all or part of his/her shares at any time.

If ownership is transferred before 12 midnight CET on the second business day before the General Meeting, the Company shall invalidate or make the necessary changes to the remote vote, the proxy, the admission card or the certificate of share ownership, as appropriate. To that end, the authorised intermediary, acting as account holder, shall notify the Company or its agent of such a transfer and forward the necessary information to it.

The authorised intermediary shall not issue a notification of transfer of ownership taking place after 12 midnight CET on the second business day before the General Meeting, nor shall the Company take such a transfer into consideration.

Shareholders in the Company who are not domiciled in France may be registered in an account and represented at General Meetings by any intermediary that has been registered on their behalf and given a general power of attorney to manage the shares. When opening its account, however, the intermediary must have declared its status, as an intermediary holding shares on behalf of third parties, to the Company or the financial intermediary acting as account holder, in accordance with the applicable and regulatory provisions.

Following a decision by the Board of Directors published in the notice convening the meeting, Shareholders may participate in General Meetings by videoconferencing, or by any other means of telecommunication or remote transmission, including the internet, in accordance with the legal and regulatory provisions in force. The Board of Directors shall determine the terms governing participation and voting, ensuring that the procedures and technologies used meet the technical criteria required to ensure that the General Meeting's deliberations are continuously and simultaneously relayed and that the votes are accurately recorded.

Provided that they comply with the relevant deadlines, shareholders who use the electronic voting form provided on the website set up by the entity in charge of the General Meeting's formalities shall be counted as being present or represented at the General Meeting. The electronic form may be completed and signed directly online using any procedure, including a username and password combination that has been approved by the Board of Directors and complies with the requirements set out in the first sentence of the second sub-paragraph of article 1367 of the French Civil Code.

Refer to the glossary page 647 for the definition of the technical terms.

A proxy or vote issued before the General Meeting using such electronic means and the subsequent acknowledgement of receipt thereof shall be deemed to be irrevocable and enforceable against all parties, it being understood that if the ownership of shares is transferred before 12 midnight CET on the second business day before the General Meeting, the Company shall invalidate or make the necessary changes to the proxy or vote issued before that time and date, as appropriate.

Article 25 – Attendance list – Officers of the General Meeting

1. An attendance list setting out the information required by law is kept for each General Meeting of Shareholders.

   This list, which must be duly initialled by all shareholders present or their proxies, and to which are attached all proxy forms given to each of the proxies and any ballots cast remotely, shall be certified as accurate by the officers of the General Meeting.
2. The Chairman of the Board, or in his absence a Vice-Chairman or a director expressly authorised for that purpose by the Board of Directors, shall chair General Meetings of Shareholders.

   If a General Meeting of Shareholders is convened at the request of one or more Statutory Auditors, one of the Statutory Auditors shall chair the General Meeting.

   Whenever the person entitled or designated to chair is absent, the General Meeting of Shareholders shall elect its Chairman.

   The officers of the General Meeting appoint a secretary who needs not be a shareholder.

   The officers of the General Meeting are in charge of verifying, certifying and signing the attendance list, ensuring that the debate is conducted in good order, resolving problems which may arise during the General Meeting, checking the ballots cast and verifying that they are not void, and ensuring that minutes of the General Meeting are drawn up.

Article 26 – Quorum – Voting – Number of votes at General Meetings

The quorum at General Meetings is calculated on the basis of the total number of shares, less those shares not entitled to vote in accordance with the provisions of the law or of the Articles of Association.

In the case of remote voting, only ballots received by the Company prior to the General Meeting within the time periods and under the conditions prescribed by the applicable laws and regulations shall be counted.

In the event of a proxy vote without naming a proxy holder, the Chairman shall add a vote in favour of the resolutions presented or approved by the Board of Directors and a vote against all other resolutions.

Except in the special cases provided for by law, each shareholder at a General Meeting shall have the right to cast as many votes as shares he holds for which all capital calls have been met.

The Company shall have the right to request from an intermediary registered on behalf of a shareholder who is not domiciled in France, but which has a general power of attorney to manage the securities of that shareholder, to provide a list of shareholders which it represents and whose votes will be exercised at a General Meeting.

The votes or proxies exercised by an intermediary which has not disclosed that it is acting in that capacity in accordance with applicable laws and regulations or the Articles of Association, or which has not disclosed the identity of the securities holders, shall not be counted.

Article 27 – Ordinary General Meetings

1. All decisions which do not amend the Articles of Association are taken by the Ordinary General Meeting of Shareholders.

   The Ordinary General Meeting must meet at least once a year within the period prescribed by the applicable laws and regulations to consider and vote on the accounts for the prior financial year.

   Its powers include the following:
   - to approve, modify or reject the accounts submitted to it;
   - to decide on the distribution and allocation of profit in accordance with the Articles of Association;
   - to discharge or refuse to discharge directors;
   - to appoint and dismiss directors;
   - to approve or reject temporary appointments of directors by the Board of Directors;
   - to authorise the purchase of shares under share buyback programmes established under the conditions stipulated by articles L. 225-209 *et seq.* of the French Commercial Code (or equivalent regulations applicable as of the date of the relevant transaction);
   - to appoint the statutory auditors;
   - to consider and vote on the special report of the statutory auditors concerning transactions subject to prior authorisation by the Board of Directors.
2. The deliberations of the Ordinary General Meeting convened following the first notice shall be valid only if the shareholders present, represented or voting remotely at the General Meeting hold, in the aggregate, at least one fifth of all voting shares.

   There is no quorum requirement for the General Meeting following the second notice.

   In order to pass, resolutions require a majority of the votes of the shareholders present, represented or voting remotely.

Article 28 – Extraordinary General Meetings

1. The Extraordinary General Meeting shall have exclusive authority to amend any of the provisions of the Articles of Association. However, it shall not increase the obligations of the shareholders other than through transactions, duly authorised and carried out, which are the result of an exchange or consolidation of shares.
2. The deliberations of the Extraordinary General Meeting convened following the first notice shall be valid only if the holders of shares present, represented or voting remotely at the General Meeting hold, in the aggregate, at least one fourth of all voting shares, or one fifth of all voting shares following the second notice. If this last quorum is not met, the second Extraordinary General Meeting may be postponed to a date not later than two months after the date for which it was scheduled.

   In order to pass, resolutions require a two-thirds majority of the votes of the holders of shares present, represented or voting remotely.
3. Notwithstanding the foregoing provisions, and as permitted by law, an Extraordinary General Meeting which approves a capital increase through the capitalisation of reserves, profits or share premiums shall be subject to the same quorum and majority voting requirements as an Ordinary General Meeting.

Article 29 – Financial year

The financial year shall begin on 1 January and end on 31 December of each year.

Article 30 – Determination, allocation and distribution of profit

1. Five per cent of the profit for a financial year less any accumulated losses shall be posted to the legal reserve until the reserve reaches one-tenth of the share capital.
2. The balance, increased by retained earnings, if any, shall constitute the distributable profit which the Ordinary General Meeting shall:
   - allocate to one or more ordinary or extraordinary, optional reserve accounts, with or without a specific purpose;
   - distribute to the shareholders as a dividend.

   The Ordinary General Meeting may also decide to distribute amounts from reserves distributable by the shareholders.
3. The Ordinary General Meeting or, in the case of an interim dividend, the Board of Directors, may, for a given financial period, decide to pay or not to pay a dividend to the shareholders, in order to comply with the Company's prudential requirements.

Article 31 – Dissolution – Liquidation

1. The Company shall be in liquidation as from the time that it is dissolved, for any reason whatsoever. Its legal personality shall subsist for purposes of such liquidation and until completion thereof.

   The shares may continue to be traded until liquidation has been completed.

   Dissolution of the Company shall be effective as against third parties only as from the date on which the notice of dissolution is published in the Paris Trade and Company Registry.

   At the end of the life of the Company or if it is dissolved in advance by an Extraordinary General Meeting, said Meeting shall fix the rules governing liquidation. Voting in accordance with the quorum and majority voting requirements applicable to Ordinary General Meetings, it shall appoint one or more liquidators whose powers it shall determine, and who shall carry out their responsibilities in accordance with the law. Upon appointment of the liquidators, the functions of the directors, the Chairman, the Chief Executive Officer and the Deputy Chief Executive Officers shall cease.

   Throughout the duration of liquidation, the General Meeting shall continue to exercise the same powers as it did during the life of the Company.
2. The liquidator shall represent the Company. He shall be vested with the broadest powers to dispose of its assets, even informally. He is authorised to pay creditors and distribute the remaining balance.

   The General Meeting may authorise the liquidator to continue pending business or to undertake new business for the purpose of the liquidation.

   The par value of the shares shall be reimbursed proportional to their share of the Company's share capital, and any liquidation dividend shall be distributed.

Article 32 – Disputes

Courts having jurisdiction under ordinary law shall resolve any dispute which may arise during the life of the Company or during liquidation following dissolution, either among the shareholders, the managing and governing bodies and the Company, or among the shareholders themselves, in connection with corporate business or compliance with the provisions of the Articles of Association.

Refer to the glossary page 647 for the definition of the technical terms.

INFORMATION ON THE COMPANY

ACQUISITIONS MADE BY CRÉDIT AGRICOLE S.A. OVER THE PAST THREE FINANCIAL YEARS

Main acquisitions completed

Date	Investments	Financing
03/07/2017	Amundi finalised the acquisition of 100% of Pioneer Investments.	The acquisition was financed by using Amundi's surplus capital for €1.5 billion, by an Amundi capital increase with pre-emptive subscription rights for €1.4 billion and for the balance by issuing senior and subordinated debt for €0.6 billion.
13/07/2017	Indosuez Wealth Management signed an agreement for the acquisition of Crédit Industriel et Commercial's private banking operations in Singapore and Hong Kong.	The acquisition was financed by core own funds generated and retained during the year.
21/12/2017	Finalisation of the acquisition by Crédit Agricole Cariparma of 95.3% of the capital of three Italian savings banks. The preconditions had been met for the acquisition of the three savings banks in Cesena (Cassa di Risparmio di Cesena SpA), Rimini (Cassa di Risparmio di Rimini SpA) and San Miniato (Cassa di Risparmio di San Miniato SpA) from the "Voluntary Scheme" section of Italy's Interbank Deposit Insurance Fund (*"Schema Volontario"*).	The acquisition was financed by core own funds generated and retained during the year and by subordinated and non-subordinated medium-term notes.
26/12/2017	Crédit Agricole S.A. finalised the acquisition of Natixis' 15% stake in CACEIS, giving it 100% control of the company's capital.	The acquisition was financed by core own funds generated and retained during the year and by subordinated and non-subordinated medium-term notes.
03/05/2018	Indosuez Wealth Management finalised the acquisition of 94.1% of Banca Leonardo.	The acquisition was financed by core own funds generated and retained during the year.
27/07/2018	Crédit Agricole Assurances finalised the acquisition of 5% of the share capital of Credito Valtellinese S.p.A.	The acquisition was financed by core own funds generated and retained during the year.
21/12/2018	Crédit Agricole Assurances finalised the acquisition of a 25% interest in GNB Seguros, bringing its total stake to 75%.	The acquisition was financed by core own funds generated and retained during the year.
28/06/2019	AGOS finalised the acquisition of 100% of the share capital of ProFamily S.p.A.	The acquisition was financed by core own funds generated and retained during the year.
08/07/2019	ABANCA and Crédit Agricole Assurances announced the signing of a partnership agreement to form a non-life company for the Spanish and Portuguese markets The new joint-venture is held at 50% by Crédit Agricole Assurances.	The acquisition was financed by core own funds generated and retained during the year.
07/10/2019	CACEIS finalised the acquisition of 97.4% of the share capital of KAS Bank.	The acquisition was financed by core own funds generated and retained during the year.
20/12/2019	Crédit Agricole S.A. and Santander entered a Master Agreement to combine their institutional custody and asset servicing activities. The new entity, which shall keep the name CACEIS, is held by Crédit Agricole S.A. and by Santander for 69.5% and 30.5%, respectively.	The acquisition was carried out through a capital increase by CACEIS, underwritten by Santander through its asset servicing activities in Spain and Latin America.

N.B.: We cannot disclose certain information about investment amounts without violating confidentiality agreements or revealing information to our competitors that could be detrimental to the Group.

Acquisitions in progress

On 21 January 2020, Amundi announced that it is entering into a 10-year strategic partnership with Banco Sabadell for distributing asset management products in the Banco Sabadell network in Spain. Amundi will also acquire 100% of Sabadell Asset Management, the asset management subsidiary of Banco Sabadell. The transaction is expected to be completed in the third quarter of 2020.

NEW PRODUCTS AND SERVICES

The entities of the Group regularly offer new products and services to customers. Information is available on the Group's websites, in particular in the press releases accessible online at www.credit-agricole.com.

MATERIAL CONTRACTS

In the framework of the IPO 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 main provisions of the agreement are set out in Chapter IV of the Registration Document filed by Crédit Agricole S.A. with the *Commission des opérations de bourse* on 22 October 2001 under number R.01-453. The agreement notably provided for the creation of 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 affiliated members that may be experiencing difficulties. To allow for changes in the way the FRBLS works following Crédit Agricole Corporate and Investment Bank's affiliation to the Crédit Agricole network, Crédit Agricole S.A. approved new regulations at its 13 December 2011 Board of Directors Meeting, which set new rules for the contributions paid by Crédit Agricole S.A. on behalf of its affiliates.

The fund was originally allocated €610 million in assets. At 31 December 2018, it totalled €1,152 million, having been increased by €40 million in the course of the year.

Furthermore, since CNCA's reorganisation as a mutual company in 1988, the Regional Banks have committed to making up any shortfall suffered by creditors should Crédit Agricole S.A. become insolvent or experience similar financial difficulties as a result of a court-supervised liquidation, or once dissolution-related formalities are complete. The Regional Banks' potential commitment under this guarantee is equal to the sum of their share capital and reserves.

Switch guarantee

The Switch mechanism was implemented on 23 December 2011 as part of the financial relationship framework between Crédit Agricole S.A., as corporate centre, and the mutualist network of Crédit Agricole Regional Banks.

It initially enabled the transfer of the regulatory requirements applying to Crédit Agricole S.A.'s interests in the Regional Banks, which were accounted for under the equity method in the consolidated financial statements of Crédit Agricole S.A. before the Eurêka operation was carried out.

By supplemental agreement signed on 19 December 2013, Crédit Agricole S.A. and the Regional Banks decided to extend the guarantee base granted by the Regional Banks to Crédit Agricole S.A. on 23 December 2011 to Crédit Agricole S.A.'s equity investment in Crédit Agricole Assurances (CAA). The new guarantees came into effect on 2 January 2014 and subsequently allowed the transfer of regulatory requirements applying to Crédit Agricole S.A.'s interests both in the Regional Banks (CCI/CCA) and in CAA.

As part of the "Eurêka" Crédit Agricole Group structure simplification operation[(1)], the Switch guarantee mechanism was amended in 2016 by two supplemental agreements, signed respectively on 17 February (Supplemental agreement No. 2) and 21 July (Supplemental agreement No. 3).

With these supplemental agreements, Crédit Agricole S.A. and the Regional Banks decided: (i) to limit the scope of the guarantees previously granted by the Regional Banks to Crédit Agricole S.A. exclusively to Crédit Agricole S.A.'s interest in Crédit Agricole Assurances (CAA), following the transfer of Crédit Agricole S.A.'s interest in the Regional Banks to Sacam Mutualisation; (ii) to change the conditions of expiry of the coverage obligation for insurance entities to enable the beneficiary to gradually reduce the guaranteed amount; (iii) to replace the quarterly calculation with a half-yearly calculation. The new scope and guarantee terms came into effect on 1 July 2016.

The effectiveness of the mechanism is guaranteed by a security deposit paid by the Regional Banks to Crédit Agricole S.A.

The guarantee transfers to the Regional Banks the risk of a fall in the equity-accounted value of Crédit Agricole S.A.'s interests in CAA.

As soon as a drop in value is observed, the guarantee mechanism is activated and Crédit Agricole S.A. receives compensation drawn from the security deposit. If the equity-accounted value later recovers, Crédit Agricole S.A. can return previously paid compensation in accordance with a clawback provision.

The guarantee expires on 1 March 2027, when it may be extended automatically. The guarantee may be terminated early, under certain circumstances and subject to prior notification of the ACPR.

The security deposit is remunerated at a fixed rate based on conditions prevailing for long term liquidity. The guarantee attracts a fixed remuneration covering the present value of the risk and cost of capital of the Regional Banks.

MATERIAL CHANGES

The financial statements for financial year 2019 were approved 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 parent company and Crédit Agricole S.A., except the Covid-19 epidemic that will have significant negative impacts on the world economy. Crédit Agricole S.A., which announced support measures for its corporate and individual customers during the crisis, expects impacts on its revenues and its result.

PUBLICLY AVAILABLE DOCUMENTS

This document is available on the website at www.credit-agricole.com/finance/finance and on the website of the French Financial Market Authority (*Autorité des marchés financiers* – AMF), www.amf-france.org.

All regulated information as defined by the AMF (in Title II of Book II of the AMF's General Regulations) is available from the Company's website: www.credit-agricole.com/finance/finance under "Regulated information". Crédit Agricole S.A. Articles of Association are reproduced, in full, in this document.

GENERAL MEETING OF SHAREHOLDERS OF 13 MAY 2020

The agenda and draft resolutions presented to the Ordinary and Extraordinary General Meeting on Wednesday 13 May 2020 are available at www.credit-agricole.com/finance/finance/espace-actionnaires/assemblees-generales.

(1) Operation "Eurêka" described on page 528 of the 2016 Registration Document.

Refer to the glossary page 647 for the definition of the technical terms.

INFORMATION ON INACTIVE BANK ACCOUNTS

Under articles L. 312-19 and L. 312-20 of the French Monetary and Financial Code, based on Law No. 2014-617 of 13 June 2014 relative to unclaimed assets on inactive bank accounts, named Law Eckert which came into force on 1 January 2016, every credit institution is required to publish annual information on inactive bank accounts. At end-2019, Crédit Agricole S.A. had two inactive bank accounts for an estimated total amount of €63,159. No transfer to the Caisse des Dépôts et Consignations has been made.

INFORMATION ON ACCOUNTS PAYABLES AND RECEIVABLES

Under article L. 441-6-1 of the French Commercial Code, companies whose annual financial statements are certified by a Statutory Auditor are required to disclose in their management report the balance of amounts due to suppliers by payment term, as set out in article D. 441-4 of Decree No. 2008-1492.

This information does not include any banking operations neither related transactions.

Accounts payable payment terms

(in millions of euros)	2019	2018
Past due	**-**	**(1)**
Current		**-**
<30 days	7	-
>30 days <45 days		-
>45 days	-	-
TOTAL	**7**	**(1)**

Customer payment terms

The number of invoices issued by Crédit Agricole S.A. outside its banking activity and related transactions is considered immaterial.

INFORMATION ON THE CRÉDIT AGRICOLE S.A. ENTITIES

The information about Crédit Agricole S.A. 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.

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	Income tax charge – deferred	Public grants received
FRANCE (INCLUDING DOM-TOM)						
France	9,784	34,980	2,306	478	(37)	-
France Dom-Tom	-	-	-	-	-	-
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	146	435	75	(17)	(13)	-
Finland	9	12	3	(1)	-	-
Greece	(9)	21	(12)	-	-	-
Hungary	4	19	1	-	-	-
Ireland	142	576	54	(11)	10	-
Italy	3,137	12,338	949	(308)	5	-
Luxembourg	992	1,435	674	(80)	11	-
Netherlands	68	400	(58)	(5)	16	-

Geographic Location	Revenues excluding intragroup eliminations	Headcount (full time equivalent)	Income before tax	Income tax charge – current	Income tax charge – deferred	Public grants received
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	145	450	72	(9)	-	-
Russia	20	177	2	-	-	-
Serbia	44	886	9	-	-	-
Switzerland	269	1,207	45	(14)	(1)	-
Ukraine	125	2,374	74	(13)	-	-
Guernsey	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	-
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	**20,152**	**72,525**	**6,189**	**(464)**	**8**	**-**

Refer to the glossary page 647 for the definition of the technical terms.

At 31 December 2019, Crédit Agricole S.A. had the following entities:

Operation Name	Type of business	Geographic location
58 fonds UC dont le taux de détention est supérieur ou égal à 95%	AG	Luxembourg
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 S.A.	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
AMUNDI Japan	AG	Japan
AMUNDI Japan Holding	AG	Japan
Amundi Luxembourg S.A.	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

Operation Name	Type of business	Geographic location
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 (Brazil) S.A. DTVM	AG	Brazil
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 (Group)	AG	France
CA Indosuez Wealth Italy S.P.A.	AG	Italy
CFM Indosuez Conseil en Investissement	AG	France
CFM Indosuez Conseil en Investissement, Succursale de Noumea	AG	France
CFM Indosuez Gestion	AG	Monaco
CFM Indosuez Wealth	AG	Monaco
CPR AM	AG	France
Etoile 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
ASSUR&ME	AG	France

Operation Name	Type of business	Geographic location
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
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

Operation Name	Type of business	Geographic location
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
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

Refer to the glossary page 647 for the definition of the technical terms.

Operation Name	Type of business	Geographic location
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 N3	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
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

Operation Name	Type of business	Geographic location
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 SANTE 2	AG	France
0057514 AUC	AG	Luxembourg
5922 AEURHC	AG	Luxembourg
78752 AEURHC	AG	Luxembourg
A FD EQ E CON AE(C)	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
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

Operation Name	Type of business	Geographic location
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 3DEC	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
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

Operation Name	Type of business	Geographic location
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

Refer to the glossary page 647 for the definition of the technical terms.

Operation Name	Type of business	Geographic location
LCL ACTIONS EURO C	AG	France
LCL ACTIONS EURO FUT	AG	France
LCL ACTIONS MONDE FCP 3DEC	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 OC	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
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

Operation Name	Type of business	Geographic location
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 ST DENIS	AG	France
SCI CAMPUS RIMBAUD ST 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 FEDERALE PEREIRE VICTOIRE	AG	France
SCI FEDERALE 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 DEFENSE	AG	France
SCI Holding Dahlia	AG	France
SCI ILOT 13	AG	France
SCI IMEFA 001	AG	France
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

Operation Name	Type of business	Geographic location
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
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

Operation Name	Type of business	Geographic location
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 – FRERES FLAVIEN	AG	France
SCI VALHUBERT	AG	France
SCI VAUGIRARD 36-44	AG	France
SCI WAGRAM 22/30	AG	France
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

Refer to the glossary page 647 for the definition of the technical terms.

Operation Name	Type of business	Geographic location
Azqore	AG	Switzerland
Azqore S.A. Singapore Branch	AG	Singapore
CA Indosuez Wealth (Asset Management)	AG	Luxembourg
Crédit Agricole Assurances Solutions	AG	France
EUROPEAN MOTORWAY INVESTMENTS 1	AG	Luxembourg
FONCIERE 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 S.A.	AG	Luxembourg
PREDIPARK	AG	France
RAMSAY – GENERALE DE SANTE	AG	France
S.A. RESICO	AG	France
SAS CRISTAL	AG	France
SAS PARHOLDING	AG	France
SAS PREDI-RUNGIS	AG	France
SH PREDICA ENERGIES DURABLES SAS	AG	France
VAUGIRARD AUTOVIA SLU	AG	Spain
Vaugirard Infra S.L.	AG	Spain
Via Vita	AG	France
FIMO Courtage	FRB	France
Interfimo	FRB	France
LCL	FRB	France
LCL succursale de Monaco	FRB	Monaco
Angle Neuf	FRB	France
C.L. Verwaltungs und Beteiligungsgesellschaft GmbH	FRB	Germany
Crédit Lyonnais Développement Économique (CLDE)	FRB	France
FCT True Sale (Compartiment LCL)	FRB	France
Arc Broker	IRB	Poland
CREDIT AGRICOLE BANK	IRB	Ukraine
Crédit Agricole Bank Polska S.A.	IRB	Poland
Crédit Agricole Banka Srbija a.d. Novi Sad	IRB	Serbia
Crédit Agricole Carispezia S.p.A.	IRB	Italy
Crédit Agricole Egypt S.A.E.	IRB	Egypt
Crédit Agricole Friuladria S.p.A.	IRB	Italy
Crédit Agricole Group Solutions	IRB	Italy
Crédit Agricole Italia	IRB	Italy
Crédit Agricole Leasing Italia	IRB	Italy
Crédit Agricole Polska S.A.	IRB	Poland
Credit Agricole Romania	IRB	Romania
Credit Agricole Service sp z o.o.	IRB	Poland
Crédit du Maroc	IRB	Morocco
Lukas Finanse S.A.	IRB	Poland
SIFIM	IRB	Morocco
IUB Holding	IRB	France
Agos	SFS	Italy
Alsolia	SFS	France
Crealfi	SFS	France
Credibom	SFS	Portugal

Operation Name	Type of business	Geographic location
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 S.A. – 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
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

Refer to the glossary page 647 for the definition of the technical terms.

Operation Name	Type of business	Geographic location
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
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 Agriciole 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 (Etats-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

Operation Name	Type of business	Geographic location
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
Credit Agricole Securities (Asia) Limited Hong Kong	LC	Hong Kong
Credit Agricole Securities (Asia) Limited Seoul Branch	LC	South Korea
Crédit Agricole Securities (USA) Inc	LC	United States
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

Refer to the glossary page 647 for the definition of the technical terms.

Operation Name	Type of business	Geographic location
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 S.A.	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
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 Credit Agricole S.A.	CC	United Kingdom

Operation Name	Type of business	Geographic location
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
Crédit Agricole Capital Investissement et Finance (CACIF)	CC	France
Delfinances	CC	France
Sodica	CC	France
CA Grands Crus	CC	France
Cariou Holding	CC	France
Crédit Agricole Agriculture	CC	France
Crédit Agricole Payment Services	CC	France
Crédit Agricole Public Sector SCF	CC	France
Crédit Agricole Régions Développement	CC	France
ESNI (compartiment Crédit Agricole S.A.)	CC	France
FCT Crédit Agricole Habitat 2015 Compartiment Corse	CC	France
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 DEVELOPPEMENT	CC	France
IDIA PARTICIPATIONS	CC	France
S.A.S. Evergreen Montrouge	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

AG: Asset Gathering.
FRB: French Retail Banking.
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.

STATUTORY AUDITORS' REPORT ON RELATED PARTY AGREEMENTS

This is a translation into English of a report issued in French and it is provided solely for the convenience of English-speaking users.
This report should be read in conjunction with, and construed in accordance with, French law and professional standards applicable in France.

Annual General Meeting held to approve the financial statements for the year ended 31 December 2018

To the General Meeting of Shareholders of Crédit Agricole S.A.,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements indicated to us, or that we may have identified in the performance of our engagement, as well as the reasons justifying why they benefit the Company. We are not required to give our opinion as to whether they are beneficial or appropriate or to ascertain the existence of other agreements. It is your responsibility, in accordance with Article R. 225-31 of the French Commercial Code (*Code de commerce*), to assess the relevance of these agreements prior to their approval.

We are also required, where applicable, to inform you in accordance with Article R. 225-31 of the French Commercial Code *(Code de commerce)* of the continuation of the implementation, during the year ended December 31, 2019, of the agreements previously approved by the Annual General Meeting.

We performed those procedures which we deemed necessary in compliance with professional guidance issued by the French Institute of Statutory Auditors *(Compagnie nationale des commissaires aux comptes)* relating to this type of engagement. These procedures consisted in verifying the consistency of the information provided to us with the relevant source documents.

AGREEMENTS SUBMITTED FOR APPROVAL TO THE ANNUAL GENERAL MEETING

In accordance with Article L. 225-40 of the French Commercial Code *(Code de commerce),* we have been notified of the following related party agreements which received prior authorization from your Board of Directors.

With Crédit Agricole Corporate and Investment Bank, Crédit Agricole S.A.'s subsidiary

Persons concerned

Ms Catherine Pourre and Ms Françoise Gri, common directors, and Mr Philippe Brassac and Mr François Thibault, chief executive officer or directors of Crédit Agricole S.A. and chairman or directors of Crédit Agricole Corporate and Investment Bank

Nature and purpose

The sale agreement to CA CIB of Visa Inc. "Class C" preferred shares hold by 6 entities of Group Crédit Agricole have been authorized by your Board of Directors as at August 1st, 2019, due to common directors. Given the common directors between Crédit Agricole S.A. and CA CIB, this agreement falls into the scope of related parties' agreements defined by the Article L.225-38 of French Commercial Code *(Code de commerce).*

Although the discount applied to Visa shares' fair value booked in the balance sheet stands within the market range adopted by concerned European banks, the transaction, by its nature, is unusual and isolated which complexifies the qualification of "usual transaction concluded in normal market condition", which would exclude the transaction from the definition enforces by Article L.225-39 of French Commercial Code *(Code de commerce).*

Conditions

Transactions related to C shares are highly regulated. It is only allowed between banks which already hold the shares or between controlled subsidiaries of a Group among which an entity is a holder. Despite a holding percentage less than 100%, diligences have been realized with Visa to ensure that transactions considered by LCL and Crédit Agricole S.A. with Crédit Agricole CIB was possible.

Reasons justifying why the Company benefits from this agreement

Your Board of Directors gave the following reasons:

The transaction enables to freeze a gross added value close to MEUR 100 for C shares holders, which multiply the shares value by 2,3 within 3 years. For Crédit Agricole S.A., the frozen value amounted to approximatively MEUR 35.

Since it is an internal reclassification and given that the transaction permits a risk transfer carried by the entities of the Group Credit Agricole on the entity which has the expertise to manage, the impact should be neutral or advantageous to the shareholders, including minority shareholders.

Refer to the glossary page 647 for the definition of the technical terms.

AGREEMENTS PREVIOUSLY APPROVED BY THE ANNUAL GENERAL MEETING

In accordance with Article R. 225-30 of the French Commercial Code (Code de commerce), we have been notified that the implementation of the following agreements, which were approved by the Annual General Meeting in prior years, continued during the year ended December 31, 2019.

Shareholder's agreement with CAAS, CACF, CA-CIB, CAGS, CAPS, CATS, LCL, and FNCA

Persons concerned

Mr Philippe Brassac and Mr Xavier Musca, chief executive officer and deputy chief executive officer of Crédit Agricole S.A., and Ms Véronique Flachaire, Ms Françoise Gri, Ms Catherine Pourre and Mr Dominique Lefebvre, Mr Raphael Appert, Mr Daniel Epron, Mr Jean-Pierre Gaillard, Mr Gérard Ouvrier-Buffet and Mr FrançoisThibault, chairman or directors of Crédit Agricole S.A. and chairmen or directors of the abovementioned entities.

Nature and purpose

Pursuant to the Memorandum of Understanding signed on June 8, 2018, some of the parties agreed to set up a new company, Crédit Agricole Group Infrastructure Platform (CAGIP), which leads the project concerning the merging of some of the Crédit Agricole Group's IT infrastructure and production activities.

Crédit Agricole Group Infrastructure Platform was formed in order to acquire, from January 1, 2019, SILCA and the IT production activities of CATS, CA-CIB in France and CAAS. Crédit Agricole Group Infrastructure Platform's role is to host the IT production activities of other entities of Crédit Agricole Group. Together, the shareholder parties hold 100% of the share capital and voting rights of Crédit Agricole Group Infrastructure Platform.

Within this context, the parties wished, through the Shareholders' Agreement:

- to supplement the rules of governance of Crédit Agricole Group Infrastructure Platform provided for in the articles of incorporation;
- to organize their relationships as shareholders;
- to determine the conditions that they intend to comply with in the event of the transfer of all or part of their stake in the company's capital.

The Shareholders' Agreement relating to Crédit Agricole Group Infrastructure Platform notably lays down the following rules of governance specific to Crédit Agricole Group Infrastructure Platform: a board of directors composed 50/50 of Regional Banks and their subsidiaries or IT production entities and Crédit Agricole S.A. with a chairman of Crédit Agricole Group Infrastructure Platform who is also chairman of the Board of Directors, appointed upon the proposal of the Regional Banks and a Chief Executive appointed upon the proposal of Crédit Agricole S.A.

Noting, in addition to the presence of common directors, that the rules of governance described above do not reflect the division of the capital between the Regional Banks and their subsidiaries (36%) and the Crédit Agricole S.A. group (64%), it was considered that this Shareholders' Agreement constituted a regulated agreement within the meaning of the provisions of the French Commercial Code *(Code de commerce)*. The Shareholders' Agreement has been authorized by your Board of Directors at its meeting on May 14, 2018.

Conditions

The Shareholders' Agreement specifies the rules of governance of Crédit Agricole Group Infrastructure Platform, as concerns both the executive and the supervisory functions of the management body, as well as those of the subsidiary to be formed in accordance with the Memorandum of Understanding. In particular, it organizes the rules relating to the financing of the company and the transfer of securities, as well as any conditions of the exit of a shareholder and the conditions under which the Company's services will be provided.

Guarantee agreement with SILCA

Persons concerned

Ms Véronique Flachaire, Ms Françoise Gri and Ms Catherine Pourre, and Mr Philippe Brassac, Mr Xavier Musca, Mr Jean-Pierre Gaillard and Mr François Thibault, chairmen or common directors.

Nature and purpose

In its meeting held on May 14, 2018 during which it authorized the signing of the Memorandum of Understanding, your Board of Directors was informed that the signatories would agree that the agreements for the contribution or divestment of business activities will provide for clauses guaranteeing assets and liabilities relating to management prior to the completion date and that, in the case of SILCA, a special mechanism must be studied insofar as this entity will be the subject of a merger before the expiry of the liability guarantees.

In its meeting held on November 6, 2018, your Company's Board of Directors authorized the signing of a guarantee agreement, the terms and conditions of which are described below.

The purpose of the guarantee agreement authorized by your Board of Directors is to set out the representations and warranties granted by the guarantors for the benefit of Crédit Agricole - Group Infrastructure Platform in respect of the merger of SILCA with Crédit Agricole - Group Infrastructure Platform, as well as the rights and obligations of the parties in the event of breach or inaccuracy of one or more of said representations.

Conditions

During a 36 month-period from January 1, 2019, the guarantors undertake, each in proportion to its share in the capital of SILCA as at the date of completion of the merger, to indemnify CAGIP:

- for any increase in liabilities or reduction in assets caused by or arising out of a fact or event prior to January 1, 2019;
- any damage suffered by CAGIP as a result of the inaccuracy or insincerity of a representation relating to the assets transferred within the framework of the merger;
- any damage suffered by CAGIP following a third-party claim relating to acts prior to January 1, 2019 attributable to SILCA.

The 36 month-period is replaced by the statute of limitations concerning any damage suffered by CAGIP due to the inaccuracy or insincerity of a representation relating to SILCA. The indemnity undertaking for damage suffered by CAGIP relating to tax matters will expire at the end of a period of ten working days from the expiry of the statute of limitations.

A threshold of EUR 10,000 per claim is fixed for the taking into account of a claim. The parties have not set any aggregate limit.

The guarantee agreement was signed on November 21, 2018. Since then, any guarantees have been activated

Loan agreements with the Regional Banks of Val-de-France, Centre-Est, Normandie, Languedoc, Sud Rhône-Alpes, Finistère, Loire Haute-Loire, Savoie, Lorraine, Centre Loire and Charente- Maritime Deux Sèvres

Persons concerned

Ms Talamona and Ms Flachaire, Mr Lefebvre, Mr Appert, Epron, Mr Gaillard, Mr Kerrien, Mr Ouvrier-Buffet and Mr Tercinier and Mr Thibault, chairman or directors of Crédit Agricole S.A. and chief executives and vice-presidents of the abovementioned entities.

Nature and purpose

In its meeting held on May 19, 2016, your Board of Directors authorized the signing of the loan agreements granted within the framework of the Eureka operation between your Company and the Regional Banks, giving them various repayment options, specifying that regardless of the option chosen by a Regional Bank, the average cost of its financing would be 2.15%.

The Regional Banks thus benefited from financing under the following conditions:

- total loan of 11 billion euros at the fixed rate of 2.15% over ten years;
- option for early repayment on a semi-annual basis as from the fourth year, subject to 12 months' notice.

In its meeting held on August 2, 2017, your Board of Directors authorized the signing of amendments to these loan agreements. The amendments to the senior loan agreements modified the structure of the financing granted by Crédit Agricole S.A. who offered the Regional Banks the possibility of purchasing the early repayment option, the purchase taking the form of a rate reduction in exchange for each Regional Bank fixing a firm repayment schedule.

Conditions

The refinancing schedule proposed to the Regional Banks was the subject of a fairness opinion delivered by an external firm.

The Regional Banks had the possibility of keeping the initial financing structure or replacing it by one or more fundings with the maturities of their choice from the table below (according to market conditions in force as at July 4, 2017). The proposed yield waiver was between 35 base points and 56 base points, corresponding to the management cost estimated at 50 base points for your Company since the outset.

Loan maturity	Bullet fixed rate
03/08/2020	1.8
03/08/2021	1.64
03/08/2022	1.59
03/08/2023	1.6
03/08/2024	1.67
03/08/2025	1.75
03/08/2026	1.84

The amendments were signed on October 10, 2017. The total amount of the financing proposed to the Regional Banks concerned by the regulated nature of these agreements was MEUR 3.391. In 2019, the amount remains unchanged, the operations set up being subject to bullet amortization until 2020 at least.

Refer to the glossary page 647 for the definition of the technical terms.

Guarantee agreement with the Regional Banks of Val-de-France, Normandie, Languedoc, Sud Rhône-Alpes, Finistère, Loire Haute-Loire, Lorraine and Centre Loire

Persons concerned

Mr Lefebvre and Mr Epron, Ms Flachaire, Mr Gaillard, Mr Kerrien and Mr Ouvrier-Buffet, Ms Talamona and Mr Thibault, chairman or directors of Crédit Agricole S.A. and chairmen, vice-presidents of the abovementioned entities.

Nature and purpose

In its meeting held on May 19, 2016, your Board of Directors authorized the signing of amendment no. 3 to the Switch guarantee agreement between your Company and the Regional Banks.

Within the framework of the Eureka operation, the parties decided to modify certain terms of the Insurance section of the Switch agreement, in respect of which the Regional Banks insure your Company against a reduction in value of its equity-accounted holdings in the capital of Crédit Agricole Assurances, and to establish the conditions for the repayment of the amount of the cash collateral relating to the guarantee applicable to the CCI/CCA.

This amendment makes the following changes to the Switch guarantee relating to your Company's holding in Crédit Agricole Assurances:

- introduction of a mechanism for the partial termination of Switch Assurances which would be implemented upon a decision by your Company by means of the gradual reduction of the amount guaranteed,
- change of the calculation frencency from quarterly to six-monthly.

Conditions

Amendment no. 3 to the Switch guarantee agreement was signed on July 21, 2016, with retroactive effect from July 1, 2016. The guarantees provided by the abovementioned Regional Banks in respect of the Insurance section amount to MEUR 1,973.24 and their guarantee deposits to MEUR 667.94 as at December 31, 2019. The remuneration paid or to be paid by your Company to the abovementioned Regional Banks in respect of financial year 2019 is MEUR 62.79.

Tax agreement with the Regional Banks of Val de France, Normandie, Languedoc, Sud Rhône-Alpes, Finistère, Loire Haute-Loire, Lorraine, Centre Loire, Centre Est, Charente Périgord et Charente Maritime Deux-Sèvres

Persons concerned

Ms Flachaire and Ms Talamona, Mr Lefebvre, Mr Appert, Mr Boujut, Mr Epron, Mr Gaillard, Mr Kerrien, Mr Ouvrier-Buffet, and Mr Tercinier, and Mr Thibault, chairman or directors of Crédit Agricole S.A. and chairmen or vice presidents of the abovementioned entities.

Nature and purpose

In its meeting held on January 21, 2010, your Board of Directors authorized the extension of the Crédit Agricole S.A. tax group, in accordance with section 5 of Article 223 A of the French Tax Code *(Code général des impôts)*, this extension being mandatory for all the Regional Banks and Local Banks subject to Corporate Income Tax at the normal rate and, optionally, for their subsidiaries.

The mechanism is governed by an agreement binding the central body and each of the entities belonging to the Group as a result of its extension.

The collective agreements on taxation binding the central body and each of the entities belonging to the Group as a result of its extension were entered into for an initial term of five years as from January 1, 2010 and are renewable for successive five-year periods subject to the express joint agreement of all the entities concerned.

In its meeting held on December 15, 2015, your Board of Directors authorized the renewal of the collective agreements on taxation, according to the same conditions and for a term of five years from January 1, 2015.

These agreements entered into for a term of five years, provided that half of the tax savings made in respect both of the dividends received by these entities and the dividends received by your Company from these entities should be re-allocated to them.

The amendment authorized by the Board of Directors in its meeting held on May 19, 2016 was signed on July 21, 2016 and provided that the tax savings made by the Group as a result of the intragroup dividends received by the Regional Banks would henceforth be re-allocated to them in full.

Conditions

The 2019 tax savings paid back in respect of the agreements binding your Company and the abovementioned companies amount to a total of MEUR 30.7.

Refer to the glossary page 647 for the definition of the technical terms.

MSI Activity transfer agreement with Crédit Agricole CIB

Persons concerned

Ms Françoise Gri and Ms Catherine Pourre et Mr Philippe Brassac and Mr François Thibault, chief executive officer or directors of Crédit Agricole S.A. and chairman or directors of CA-CIB.

Nature and purpose

CA-CIB and Crédit Agricole S.A. entered into conversations to negotiate and agree terms and conditions of business capital sale sold under the terms of an agreement (so called hereafter "*contrat de cession de fond de commerce*").

Conditions

The sold business capital ownership transfer so as the resulting rights, risks and enjoyment, will be effective at January 1st, 2018 (hereafter "date de cession"). Nevertheless, for operational reasons, and particularly IT migration purposes, CA-CIB will not be able to set up accounts for DSB customers. Consequently, opened accounts by the customers will be maintained at Crédit Agricole S.A. within a transitional period and opened at CA-CIB. Within this transitional period, Crédit Agricole S.A. will refund back to CA-CIB the result of sold business capital activity of which Crédit Agricole S.A. would collect from DSB clients. At the same time, the entire costs, expenses and liabilities incurred by Crédit Agricole S.A. related to the sold business capital would be covered by CA-CIB.

From the date of transfer, CA-CIB will utilize the sold business capital with the transferred humans and materials resources.

Tax Agreement with SACAM Mutualisation

Persons concerned

Ms Flachaire and Ms Talamona, Mr Lefebvre, Mr Epron, Mr Gaillard, Mr Kerrien and Mr Ouvrier-Buffet, and Mr Thibault, chairman or directors of Crédit Agricole S.A. and managers or representatives of the jointly and severably liable partners of SACAM Mutualisation.

Nature and purpose

In its meeting held on May 19, 2016, your Board of Directors authorized the signing of a tax consolidation agreement between your Company and SACAM Mutualisation.

This agreement was entered into on July 21, 2016. Based on the same model as the agreements entered into with the Regional Banks, this agreement provides that the tax savings made by the Group as a result of the intragroup dividends received by this entity should be re-allocated to it in full.

Conditions

The 2019 tax savings paid back in respect of the agreement binding your Company and SACAM Mutualisation amount to MEUR 3.8.

Tax agreement with S.A.S. Rue La Boétie, S.A.S. Ségur, S.A.S. Miromesnil, Sacam Avenir, SACAM Développement, SACAM International, SACAM Participations, SACAM Fia-net Europe, SACAM Fireca, SACAM Immobilier, SACAM Machinisme and SACAM Assurance Caution

Persons concerned

Ms Flachaire and Ms Talamona, Mr Lefebvre, Mr Epron, Mr Gaillard, Mr Kerrien and Mr Ouvrier-Buffet, and Mr Thibault, chairman or directors of Crédit Agricole S.A. and chairmen, vice-chairmen, managers, vice-presidents or directors of the abovementioned entities.

Nature and purpose

In its meeting held on December 13, 2016, your Board of Directors authorized the signing of the amendment to the tax consolidation agreement between your Company and S.A.S. Rue La Boétie, S.A.S. Ségur, S.A.S. Miromesnil and federal holdings (SACAM Avenir, SACAM Développement, SACAM International, SACAM Participations, SACAM Fia-net Europe, SACAM Fireca, SACAM Immobilier, SACAM Machinisme and SACAM Assurance Caution).

The collective agreements on taxation entered into with the abovementioned entities were authorized by the Board of Directors in its meeting held on January 21, 2010 and renewed in its meeting held on December 15, 2015. These agreements entered into a term of five years, provided that half of the tax savings made as a result of the dividends received by these entities should be re-allocated to them.

These agreements were subject to an amendment on July 21, 2016 which, based on the same model as the amendment to the the collective agreements on taxation entered into with the Regional Banks, provides that the tax savings made by the Group as a result of the intragroup dividends received by said companies should henceforth be re-allocated to them in full.

Refer to the glossary page 647 for the definition of the technical terms.

Conditions

The 2019 tax savings paid back in respect of the agreements binding your Company and the abovementioned companies amounts to a total of MEUR 19.2.

Tax agreement with Crédit Agricole CIB

Persons concerned

Ms Gri and Ms Pourre and Mr Brassac and Mr Thibault, chief executive officer or directors of Crédit Agricole S.A. and chairman or directors of Crédit Agricole CIB.

Nature and purpose

In its meeting held on November 7, 2016, your Board of Directors authorized the signing of the amendment to the tax consolidation agreement between your Company and CA-CIB.

In 1996 your Company entered into a tax consolidation agreement with Crédit Agricole CIB, which was renewed on December 22, 2015 for the period 2015-2019. Its purpose is to define the relationships between Crédit Agricole S.A., on the one hand, and CA-CIB and its consolidated subsidiaries, on the other hand, in particular the division of the Corporate Income Tax expense.

The collective agreements on taxation allowed CA-CIB to receive a proportion of the tax savings made by the Crédit Agricole Group equivalent to its individual tax loss actually related to the Group. This agreement was amended on November 15, 2016 in order to provide for the extension of the monetization, for the benefit of CA-CIB, of the entire loss of the subgroup related to Crédit Agricole S.A. as a parent company of the Group, including the loss carryforward of the subgroup for the years prior to January 1, 2016 already related to Crédit Agricole S.A.

Conditions

The 2019 tax savings paid back in respect of the agreements binding your Company and the abovementioned company amounts to a total of MEUR 5.4.

Capital base agreement with CA-CIB

Persons concerned

Ms Gri and Ms Pourre, and Mr Brassac and Mr Thibault, chairman, directors or executives of Crédit Agricole S.A. and chairmen, vice presidents or directors of the abovementionned entities.

Nature and purpose

Following the merging of the corporate and investment banking businesses of Crédit Agricole S.A. and Crédit Lyonnais, a partial contribution of assets was made by Crédit Lyonnais to Crédit Agricole Indosuez (which became Calyon and then Crédit Agricole CIB).

Conditions

Within the framework of this authorization, your Company notably subscribed, in 2004, to an issue of subordinated debt securities, for the amount of M$ 1,730. During financial year 2014, one of the issues amounting to M$ 1,260 was the subject of early repayment on 28 February 2014.

Early 2019, the second issue, amounting to M$ 470, have been subjected to an early repayment (amounted to M$ 270) and the 2019 outstanding amounted to M$ 200. The 2019 due coupon amounted to M$ 9,27, excluding late payment interest.

Temporary shared fine agreement with CA-CIB

Persons concerned

Ms Gri and Ms Pourre and, Mr Brassac and Mr Thibault, chief executive officer of Crédit Agricole S.A. and chairman of CA-CIB, common directors of Crédit Agricole S.A. and CA-CIB.

Nature and purpose

On December 7, 2016, the European Commission found your Company and CA-CIB jointly and severally liable for a fine of MEUR 114,654 after an investigation by the Commission concluding on the existence of an agreement between seven banking institutions on interest rate derivatives in euros, agreeing on the determination of the Euribor reference interest rate.

The alleged facts apparently took place between September 2005 and May 2008.

At the time of the delivery of the Commission's judgement, your Company announced that it would appeal against the decision before the General Court of the European Union. The claim for annulment was filed on February 17, 2017.

As the appeal did not stay the judgement, your Company had to pay the full amount of the fine before March 5, 2017.

According to an agreement signed with CA-CIB, your Company agreed to pay the full amount of the fine on behalf of the two establishments found to be jointly and severally liable, referring the division between them of the payment of the fine to the decision of the judicial authorities of the European Union.

Refer to the glossary page 647 for the definition of the technical terms.

Conditions

In its meeting held on January 20, 2017, your Board of Directors authorized the draft agreement between your Company and CA-CIB, the terms of which are set out below.

- Pending a decision having the force of res judica in a court of last instance, your Company shall bear and pay the amount of EUR 114,654,000 in respect of the fine.
- The final terms for the division of the final amount of the potential fine shall be agreed at a later date jointly between your Company and CA-CIB, once a decision having the force of res judica has been handed down by a court of last instance.

The agreement, expressed in identical terms, was authorized by CA-CIB's Board of Directors on February 10, 2017. It constitutes a formal measure for the organization of the division of the joint penalty, without prejudging the outcome of the appeals entered.

In accordance with the delegation granted by their respective Boards, it was signed on 27 February 2017 by the Chief Executive Officer of your Company and the Chief Executive Officer of Crédit Agricole CIB. The penalty was paid within the statutory time limit, namely before March 5, 2017. As no decision has been rendered concerning the appeal entered by Crédit Agricole, the situation between Crédit Agricole S.A. and Crédit Agricole CIB is identical to that noted at the end of 2017.

Billing and collecting agreement with CA-CIB

Persons concerned

Ms Gri and Ms Pourre, and Mr Brassac and Mr Thibault, chief executive officer of Crédit Agricole S.A. and chairman of CA-CIB, common directors of Crédit Agricole S.A. and CA-CIB.

Nature and purpose

In its meeting held on December 19, 2017, your Board of Directors authorized the transfer of your Company's IT activities (MSI) to Global IT (GIT) which performs the same assignments for the Crédit Agricole CIB scope.

The transfer itself does not constitute a regulated agreement, but within the framework of this operation, your Company and Crédit Agricole CIB set up a temporary billing and collection mandate which does fall within the scope of section 2 of Article L. 225-38 of the French Commercial Code *(Code de commerce)* relating to regulated agreements. As such, this mandate was authorized by the Board of Directors in its meeting held on December 19, 2017, separately from the overall authorization of the transfer of business.

Conditions

During a transition period of six to twelve months from the date of transfer, some of the Crédit Agricole Group entities may benefit from the services of MSI, via signed quotations. The billing and collection services would be carried out by your Company within the scope of a billing and collection mandate which notably includes the guarantee by your Company to Crédit Agricole CIB concerning the collection, from the entities benefiting from these services, of the amounts billed by your Company in the name and on behalf of Crédit Agricole CIB.

At the end of this transition period, CA-CIB may decide, if appropriate, to perform the services for the other Group entities, through Progica or another entity of the Crédit Agricole Group, depending on the result of the services performed during the transition period, regulatory changes and any other potential reorganization of activities within the Crédit Agricole Group.

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

Refer to the glossary page 647 for the definition of the technical terms.

PERSON RESPONSIBLE FOR THE UNIVERSAL REGISTRATION DOCUMENT OF CRÉDIT AGRICOLE S.A.

Mr Philippe Brassac, Chief Executive Officer of Crédit Agricole S.A.

STATEMENT BY THE PERSON RESPONSIBLE

I hereby certify that, to my knowledge and after all due diligence, the information contained in the present Universal registration document is true and accurate and contains no omission likely to affect the import thereof.

I hereby certify that, to my knowledge, the consolidated financial statements for year ended 31 December 2019 have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, financial position and results of the Company and all entities included in the consolidated Group, and the yearly report provides a true and fair view of the important events of the current financial year, of the effect of such events on the Company's accounts, of the principal related party transactions, as well as a description of the main risks and principal uncertainties of this year.

Montrouge, 25 March 2020,
Chief Executive Officer of Crédit Agricole S.A.
Philippe Brassac

Refer to the glossary page 647 for the definition of the technical terms.

STATUTORY AUDITORS

Statutory Auditors

Ernst & Young & 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 2011/2012/2013/2014/2015/2016/2017/2018. The signatories remained unchanged in 2011/2012/2013 and 2014, namely Valérie Meeus for Ernst & Young & Autres and Catherine Pariset for PricewaterhouseCoopers Audit.

Since 2015, the signatory for Pricewaterhouse Coopers Audit is Anik Chaumartin, replacing Catherine Pariset. In 2017, the signatory for Ernst & Young & Autres is Olivier Durand, replacing Valérie Meeus.

Alternative Statutory Auditors

Picarle et Associés	Jean-Baptiste Deschryver
Represented by Denis Picarle	
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 & 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 years at the Combined General Meeting of 16 May 2018.

Ernst & Young & Autres is represented by Olivier Durand.

Picarle et Associés was appointed Alternate Statutory Auditor for Ernst & Young & Autres by the Combined General Meeting of 17 May 2006. This mandate was renewed for a further six 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 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 by the Comined General Meeting of 16 May 2018.

Refer to the glossary page 647 for the definition of the technical terms.

GLOSSARY

ACRONYMS

ACPR
French Regulatory and Resolution Supervisory Authority (ACPR).

AFEP/MEDEF
French Business and Employers' Associations.

AMF
French financial markets authority.

CSR
Corporate Social Responsibility.

EBA
European Banking Authority.

ECB
European Central Bank.

ESG
Environment, Social, Governance.

GOI
Gross Operating Income.

IFRS
International Financial Reporting Standards.

MSE
Medium-sized Enterprise.

MTP
Medium-Term Plan.

SME
Small and Medium-sized Enterprise.

SREP
Supervisory Review and Evaluation Process

VSB
Very Small Business.

DEFINITIONS

Accretion
A transaction is described as "accretive" when it increases the portion of net asset value (*e.g.* net book value per share) or earnings (*e.g.* earnings per share) attributable to each share in the company.

ALM *Asset and Liability Management*
Management of the financial risks borne by an institution's balance sheet (interest rate, currency, liquidity) and its refinancing policy in order to protect the bank's asset value and/or its future profitability.

Asset encumbrance
Asset encumbrance corresponds to assets used to secure, collateralise or back up a credit facility for any type of transaction.

Asset management
Management of negotiable or other assets, for the manager's own account or for third-party (institutional or retail) investors. In third-party asset management, assets are adapted *via* funds or in the framework of management mandates. Specialised products are offered to meet the range of customer expectations in terms of geographical and sector diversification, short-term or long-term investing and the desired level of risk.

Assets under management
Operating activity indicator not reflected in the Group's consolidated financial statements, reflecting the assets marketed by the Group, whether they are managed, advised or delegated to an external fund manager. Assets under management are measured for each fund by multiplying net asset value per unit (as calculated by an external appraiser in line with the regulations in force) by the number of units/shares outstanding. Amundi fully consolidates all the assets under management by its joint ventures at 100% and not its share in the joint ventures.

AT1 *Additional Tier 1 capital*
Additional Tier 1 capital eligible under Basel 3 made up of perpetual debt instruments without any redemption incentive or obligation. It is subject to a loss absorption mechanism where the CET1 ratio falls below a given threshold, fixed in their prospectus.

Basel 3
Regulatory standards for banks, which replace the previous Basel 2 agreements by increasing the quality and quantity of the minimum capital that banks are required to hold against the risk they take. It also introduces minimum standards for liquidity risk management (quantitative ratios), defines measures attempting to curb the financial system's pro-cyclicality (capital buffers varying according to the economic cycle) and tightens the requirements on institutions considered as systemically important. In the European Union, these regulatory standards were introduced under directive 2013/36/EU (CRD 4 – Capital Requirements Directive) and regulation (EU) No. 575/2013 (CRR – Capital Requirements Regulation).

Benchmark rate
Interest rate set by a country's or currency zone's central bank to regulate economic activity. Principal tool in a central bank's arsenal for fulfilling its role of regulating economic activity: inflation, stimulation of growth.

CCA *Cooperative Associate Certificate – Certificat coopératif d'associés*
Unlisted securities, which may be traded over the counter and may be issued only by cooperative companies. They may be subscribed by members of the issuing Regional Banks and affiliated Local Banks. A CCA does not carry voting rights but gives its holders rights to a share of the net assets and to receive dividends.

CCI *Cooperative Investment Certificate – Certificat coopératif d'investissement*
Securities quoted on the stock exchange that do not carry voting rights and may be issued only by cooperative companies. A CCI gives its holders rights to a share of the net assets and to receive a dividend payment.

Collateral
A transferable asset or a guarantee that provides security for the repayment of a loan, should the recipient of the loan fail to meet their repayment obligations.

Corporate governance
Any mechanism that can be implemented to achieve transparency, equality between shareholders and a balance of powers between management and shareholders. These mechanisms encompass the methods used to formulate and implement strategy, the operation of the Board of Directors, the organisation framework between different governing bodies and the compensation policy for directors and executive managers.

Cost/income ratio
The cost/income ratio is calculated by dividing operating expenses by revenues, indicating the proportion of revenues needed to cover operating expenses.

Cost of risk
The cost of risk reflects allocations to and reversals from provisions for credit and counterparty risk (loans, securities, and off-balance sheet commitments), as well as the corresponding losses not covered by provisions.

Cost of risk/outstandings[(1)]
Calculated by dividing the cost of credit risk (over four quarters on a rolling basis) by outstandings (over an average of the past four quarters, beginning of the period).

Crédit Agricole Group
This include Crédit Agricole SA, Regional Banks and Local Banks.

Crédit Agricole S.A.
Listed company of the Credit Agricole Group. Its parent company is "Crédit Agricole S.A. Corporate entity". Its consolidation perimeter includes subsidiaries, joint ventures and associated companies that it holds directly or indirectly.

Crédit Agricole S.A. Corporate entity
Legal entity that acts as central body and head of Crédit Agricole network and that guarantees the financial unity of the Group.

Credit rating
Measurement of credit quality in the form of an opinion issued by a rating agency (Standard & Poor's, Moody's, Fitch Ratings, etc.). The rating may apply to a specific issuer (business, government, public-sector authority) and/or specific issues (bonds, securitised notes, secured bonds, etc.). The credit rating may influence an issuer's borrowing terms (interest rate it pays, its access to funding) and its market image (see Rating agency).

Credit spread
Actuarial margin (difference between a bond's yield to maturity and that on a risk-free borrowing with an identical maturity).

CVA *Credit Valuation Adjustment*
Expected loss arising from the risk of a counterparty default which aims at building in the possibility that the full positive market value of instruments may not be recovered. The methodology used to determine the CVA is based largely on the same type of market parameters that market participants use.

Dilution
A transaction is described as "dilutive" when it reduces the portion of net asset value (*e.g.* net book value per share) or earnings (*e.g.* earnings per share) attributable to each share in the company.

Dividend
Portion of net income or reserves paid out to shareholders. The Board of Directors proposes the dividend to be voted on by shareholders at the Annual General Meeting, after the financial statements for the year ended have been approved.

Doubtful loan
Loan on which the borrower has fallen behind with the contractually agreed interest payments or capital repayments, or for which there is a reasonable doubt that this could occur.

DVA *Debit Valuation Adjustment*
Symmetrical to the CVA and represents the expected loss from the counterparty's perspective on passive valuations of financial instruments. It reflects the impact of the entity's own credit risk on the valuation of these instruments.

EAD *Exposure At Default*
Exposure at default: this is the Group's exposure should the counterparty default. The EAD includes on- and off-balance sheet exposures. Off-balance sheet exposures are converted into balance sheet equivalents using internal or regulatory conversion factors (draw-down scenarios).

EL *Expected Loss*
Loss likely to be incurred depending on the quality of the counterparty in view of the structure of the transaction and any risk mitigation measures, such as collateral. It is computed by multiplying the exposure at default (EAD) by the probability of default (PD) and by the loss given default (LGD).

EPS *Earnings Per Share*[(1)]
Net income Group share divided by the average number of shares in issue excluding Treasury shares. It indicates the portion of profit attributable to each share (not the portion of earnings paid out to each shareholder, which is the dividend). It may decrease, assuming the net income Group share remains unchanged, if the number of shares increases (see Dilution).

FCP *Fonds commun de placement – mutual fund*
Type of UCITS that issues units and does not have legal personality. By acquiring units, investors gain co-ownership of the securities, but do not have any voting rights. They are not shareholders. An FCP mutual fund is represented and managed from an administrative, financial and accounting perspective by a single management company, which may delegate these tasks.

FCPE *Fonds commun de placement d'entreprise – corporate mutual fund*
Employee savings vehicle used by companies offering this type of arrangement to their employees. Savers hold units in FCP mutual funds that are allotted in return for their payments and any top-up payments made by their employer (employer contribution).

FinTech *Finance, Technology*
A FinTech is a non-banking company which uses information and communication technologies to deliver financial services.

FReD *Fides, Respect, Demeter*
Initiative to implement, manage and measure the progress made by the Corporate Social Responsibility (CSR) programme. FReD has three pillars with 19 commitments that aim to bolster trust (Fides), grow individuals and the corporate ecosystem (Respect) and protect the environment (Demeter). Every year since 2011, the FReD index has provided a measure of the progress made by the CSR programme being pursued by Crédit Agricole S.A. and its subsidiaries. PricewaterhouseCoopers conducts an annual audit of this index.

Free float
Percentage of a listed company's share capital held by non-core shareholders. Non-core shareholders means any shareholders likely to buy or sell the shares at any time without having to worry about the effects of their decision on the control of the business and not bound by a contract limiting their right of disposal (*e.g.* shareholders' agreement). Shares held by retail investors (including employees) and by institutional investors (SICAV and FCP mutual funds, pension funds, and insurance companies) are included in the free float. In contrast, the investment held by a majority shareholder is not included in the free float.

FSB *Financial Stability Board*
The Financial Stability Board's remit is to identify vulnerabilities in the global financial system and establish principles serving as a basis for the regulation and oversight of financial stability. It is made up of the governors, finance ministers and supervisors of G20 countries. Its primary objective is to coordinate at international level the work of the national financial authorities and of the international standard-setters in the regulation and supervision of financial institutions. Founded at the G20 meeting in London in April 2009, the FSB is the successor to the Financial Stability Forum set up by the G7 in 1999.

GOI *Gross Operating Income*
Calculated as revenues less operating expenses (general operating expenses, such as employee expenses and other administrative expenses, depreciation and amortisation).

(1) APM indicator.

Refer to the glossary page 647 for the definition of the technical terms.

Goodwill
Amount by which the acquisition cost of a business exceeds the value of the net assets revalued at the time of acquisition. Every year, goodwill has to be tested for impairment, and any reduction in its value is recognised in the income statement.

Green bonds
Bonds issued by an approved entity (business, local authority or international organisation) to finance an eco-friendly and/or sustainability-driven project or activity. These instruments are often used in connection with the financing of sustainable agriculture, the protection of ecosystems, renewable energy and organic farming.

GRI *Global Initiative Reporting*
An organisation consisting of stakeholders and partners (businesses, audit firms, human rights, environmental protection, labour organisations, and government representatives) which has created a joint framework for the development of sustainability reporting.

HPSP *Home Purchase Saving Plans*
The Home Purchase Saving Plan provision represents the provision set up for payment into housing savings plans that benefit from an attractive interest rate and may be closed in the short term by their holders.

HQLA *High Quality Liquid Assets*
Unencumbered high-quality liquid assets (see Asset encumbrance) that can be converted easily and immediately in private markets into cash in the event of a liquidity crisis.

Impaired loan
Loan which has been provisioned due to a risk of non-repayment.

Institutional investors
Businesses, public-sector bodies and insurance companies involved in securities investment, for example, investing in the shares of listed companies. Pension funds and asset management and insurance companies come under this heading.

Issuer spread
Actuarial margin representing the difference between the actuarial rate of return at which the Group can borrow and that of a risk-free loan of identical duration.

LCR *Liquidity Coverage Ratio – 1 month Liquidity Ratio*
This one-month ratio aims to enhance the short-term resilience of a bank's liquidity risk profile. The LCR obliges banks to hold sufficient risk-free, highly liquid assets (see HQLA) to cover outflows, net of inflows, assessed under stressed assumptions, to see it through a crisis period of 30 days without relying on any support from Central banks.

Leverage ratio
A voluntarily simple ratio that is intended to control the size of banks' total assets. The leverage ratio establishes a link between Tier 1 regulatory capital and on-/off-balance sheet assets, after restatement of given items.

LGD *Loss Given Default*
Ratio between the loss experienced on an exposure on a counterparty at default and the size of the exposure at default.

Loan Portfolio Hedges
The impact of loan portfolio hedges is based on market movements in credit risk hedging and the level of reserves linked to the market movements.

MREL *Minimum Requirement for own funds and Eligible Liabilities*
Ratio defined in the European Bank Recovery and Resolution Directive indicating the minimum requirement for own funds and eligible liabilities that have to be available to absorb losses in the event of resolution (see chapter 5 on Risks and Pillar 3/Regulatory indicators and ratios).

Mutual shares
Portion of the capital of a Local Bank or Regional Bank. Mutual shares receive an annual interest payment. Ownership units are reimbursed at their nominal value and give no right to reserves or to liquidation proceeds.

Mutual shareholders
Holders of mutual shares, which make up the capital of the Local Banks. The Local Banks own the share capital of the Regional Bank with which they are affiliated. They receive returns in respect of their mutual shares, the interest rate of which is capped by law. The members come together once a year at the Annual General Meeting at which they approve the financial statements of the Local Banks and elect its directors. Each individual member has one vote at these General Meetings, irrespective of the number of mutual shares that she/he owns.

NBV *Net Book Value*(1)
The net book value corresponds to the shareholders' equity share of the group from which the amount of the AT1 issues, the gains or losses in other comprehensive income and the draft dividend on annual results have been restated.

NBV per share *Net Book Value per share* / NTBV per share *Net Tangible Book Value per share*(1)
One of the methods for calculating the value of a share. This represents the net equity Group share after AT1 deduction divided by the number of shares in issue at end of period, excluding treasury shares.

Net tangible book value per share represents the tangible net equity Group share after AT1 deduction, *i.e.* after deduction of the Group share in intangible assets and goodwill, divided by the number of shares in issue at end of period, excluding treasury shares.

NIGS *Net income Group share*
Net income/(loss) for the financial year (after corporate income tax). Equal to net income less the share attributable to non-controlling interests in fully consolidated subsidiaries.

NIGS *attributable to common shares*(1)
The net income Group share attributable to ordinary shares represents the net income Group share from which the AT1 coupon has been deducted, including issuing costs before tax.

NIGS *(Net Income Group Share) underlying*(1)
The underlying net income Group share represents the stated net income Group share from which specific items have been deducted (*i.e.* non-recurring or exceptional items).

NPS *Net Promoter Score*
Index measuring how likely customers are to recommend their bank to their family and friends. Based on polling conducted every quarter, this index reflects the number of customers who are critical of, neutral on or willing to promote the bank.

NSFR *Net Stable Funding Ratio – 1 year Liquidity Ratio*
Ratio intended to promote longer-term resilience through the introduction of additional incentives for banks to fund their activities using more stable resources of finance (namely with longer maturities). This structural liquidity ratio covering a one-year period has been designed to limit the funding of long term assets by short term resources.

(1) APM indicator.

Operating income

Calculated as gross operating income less the cost of risk.

P/E ratio *Price/Earnings ratio*

Ratio of the share price to earnings per share. For shareholders, it represents the number of years' earnings needed to recoup their initial investment. It is an indicator used to compare the value of different stocks, for example, within the same sector of activity. A high P/E rating reflects expectations of strong earnings growth or a situation where a company's value is not fully reflected in its earnings (*e.g.* it may have substantial cash holdings). If a company has a P/E of 15x, it is said to capitalise its earnings 15 times.

Raison d'Être

The "Raison d'Être" is defined as what is "essential to respond to the company purpose, that is to say the scope of the company's activities" (source: Notat-Senard report). The "Raison d'Être" of the Crédit Agricole Group ("Working every day in the interest of our customers and society") is not a statutory concept and was formulated in our Group Project and MTP 2022.

Rating agency

Organisation specialised in assessing the solvency of issuers of debt securities, *i.e.* their ability to honour their repayment obligations (principal repayments and interest payments over the contractual period).

Resolution

Shortened form of "resolution of crises and bank failures". In practice, two types of plan need to be drawn up for every European bank: 1) a preventative recovery plan prepared by the bank's senior managers, and 2) a preventative resolution plan put in place by the competent supervisory authority. Resolution occurs before bankruptcy of the bank, to plan its ordered dismantling and avoid systemic risk.

Revenues

Difference between banking income (interest income, fee income, capital gains from market activities and other income from banking operations) and banking expenses (interest paid by the bank on its funding sources, fee expenses, capital losses arising on market activities and other expenses incurred by banking operations).

Risk appetite

Level of risk that the Group is willing to assume in pursuit of its strategic objectives. It is determined by type of risk and by business line. It may be stated using either quantitative or qualitative criteria. Establishing the risk appetite is one of the strategic management tools available to the Group's governing bodies.

RoE *Return on Equity*(1)

Indicator measuring the return on equity, calculated by dividing a company's net income by its equity.

RoTE *Return on Tangible Equity*(1)

Measures the return on tangible equity (the bank's net assets restated to eliminate intangibles and goodwill).

RWA *Risk-Weighted Assets*

Assets and risk commitments (loans, etc.) held by a bank weighted by a prudential factor and based on the risk of loss and used, when added together, as the denominator for major solvency ratios.

SICAV *(Société d'investissement à capital variable) – open-ended investment company*

A type of UCITS which enables investors to invest in a portfolio of financial assets without holding them directly and to diversify their investments. It manages a portfolio of stocks or other assets and may specialise in a specific market, an asset class, an investment profile, or a specific sector. From a tax perspective, a SICAV unit is like a share.

Solvency

Measures the ability of a business or an individual to repay its debt over the medium to long term. For a bank, solvency reflects its ability to cope with the losses that its risk profile is likely to trigger. Solvency analysis is not the same as liquidity analysis. The liquidity of a business is its ability to honour its payments in the normal course of its business, to find new funding sources and to achieve a balance at all times between its incomings and outgoings. For banks, solvency is governed by the CRD 4 directive and CRR regulation. For an insurance company, solvency is covered by the Solvency 2 directive (see Solvency 2).

Solvency 2

European directive on insurance and reinsurance undertakings intended to ensure that they comply at all times with their commitments towards policyholders in view of the specific risks incurred by such businesses. It aims to achieve an economic and prospective assessment of solvency based on three pillars – quantitative requirements (Pillar 1), qualitative requirements (Pillar 2) and information for the public and the supervisor (Pillar 3). Adopted in 2014, it was transposed into national law in 2015 and came into force on 1 January 2016.

SRI *Socially Responsible Investing*

Systematic and clearly documented incorporation of environmental, social and governance criteria in investment decisions.

Stress tests

Exercise to study the ramifications on banks' balance sheets, profit and loss and solvency in order to measure their ability to withstand these kinds of situations.

(1) APM indicator.

Refer to the glossary page 647 for the definition of the technical terms.

Subordinated notes

Issues made by a company, the returns on and/or redemption of which are contingent upon an event (conditional upon payment of a dividend or achievement of an outcome).

Systemically important bank

Crédit Agricole Group, but not Crédit Agricole S.A., appears on the list of the 29 global systemically important banks (G-SIBs) published by the Financial Stability Board (FSB) in November 2012 and updated in November 2018. A systemically important bank has to put in place a basic capital buffer of between 1% and 3.5% in relation to Basel 3 requirements.

TLAC *Total Loss Absorbing Capacity*

Designed at the G20's request by the Financial Stability Board. It aims to provide an indication of the loss-absorbing capacity and of the ability to raise additional capital of the systemically important banks (G-SIBs) (see chapter 5 on Risks and Pillar 3/ Regulatory indicators and ratios).

Treasury shares

Shares held by a company in its own capital. Shares held in treasury do not carry a voting right and are not used in EPS calculations as they receive no dividend and have no right to reserves.

TSDI *Undated subordinated notes*

Undated subordinated notes have no specified maturity date, with redemption being at the behest of the issuer beyond a certain date.

TSS *Deeply subordinated notes*

Undated subordinated issue giving rise to perpetual returns. Their perpetual maturity arises from the fact that they do not have a contractual redemption date, with redemption taking place at the option of the issuer. Should the issuer be liquidated, these notes are redeemed after all the other creditors have been repaid.

UCITS *Undertakings for Collective Investment in Transferable Securities*

An UCITS is a portfolio of negotiable securities (equities, bonds, etc.) managed by professionals (management companies) and held collectively by retail or institutional investors. There are two types of UCITS – SICAVs (open-ended investment companies) and FCPs (mutual investment funds).

VaR *Value-at-Risk*

Synthetic indicator used to track on a day-to-day basis the market risks taken by the Group, particularly in its trading activities (VaR is calculated using a 99% on 10 days-confidence interval, over one day, in line with the regulatory internal model). Reflects the largest exposure obtained after eliminating 1% of the most unfavourable occurrences over a one-year history.

Refer to the glossary page 647 for the definition of the technical terms.

CROSS-REFERENCE TABLES

CROSS REFERENCE TABLE OF THE UNIVERSAL REGISTRATION DOCUMENT

This cross-reference table contains the headings provided for in Annex 1 (as referred to in Annex 2) of the Commission Delegated Regulation (EU) 2019/980 of the Commission as of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council and repealing Commission Regulation (EC) No 809/2004 (Annex I), in application of the Directive, said "Prospectus". It refers to the pages of this Universal Registration Document where the information relating to each of these headings is mentioned.

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Section 1	**Persons responsible, third party information, experts' reports and competent authority approval**	**645**
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
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
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
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].	N/A
Section 2	**Statutory auditors**	**646**
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
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
Section 3	**Risk factors**	**43; 242 to 254; 296 to 299; 427 to 462; 502 to 503; 599 to 600**
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
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
4.2	The place of registration of the issuer, its registration number and legal entity identifier ("LEI").	618
4.3	The date of incorporation and the length of life of the issuer, except where the period is indefinite.	618
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
Section 5	**Business overview**	
5.1	Principal activities.	12 to 24; 472 to 477
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; 472 to 477; 234 to 237

Refer to the glossary page 647 for the definition of the technical terms.

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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
5.3	The important events in the development of the issuer's business.	424 to 427
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.	234 to 237; 41 to 44
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
5.6	The basis for any statements made by the issuer regarding its competitive position.	
5.7	Investments.	26 to 27; 402 to 403; 424 to 425; 536 to 550; 625
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
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
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
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**
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
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
Section 7	**Operating and financial review**	**216 to 239**
7.1	Financial condition.	396 to 403; 568 to 570
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
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
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
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
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
8.2	An explanation of the sources and amounts of and a narrative description of the issuer's cash flows.	402 to 403
8.3	Information on the borrowing requirements and funding structure of the issuer.	221 to 222; 281 to 286; 453 to 454
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
8.5	Information regarding the anticipated sources of funds needed to fulfil commitments referred to in item 5.7.2.	625 to 627

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Section 9	**Regulatory environment**	**300 to 301**
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
Section 10	**Trend information**	**2 to 3; 234 to 236; 554**
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.	234
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; 626
Section 11		
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
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
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
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
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
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

Refer to the glossary page 647 for the definition of the technical terms.

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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
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
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
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
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
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
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
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
15.3	Description of any arrangements for involving the employees in the capital of the issuer.	583 to 584
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
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
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
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
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
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
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
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
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

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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
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
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
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
18.2	Interim and other financial information.	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
18.3	Auditing of historical annual financial information.	563 to 564; 612 to 615
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
18.3.2	Indication of other information in the registration document that has been audited by the auditors.	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
18.4	Pro forma financial information.	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
18.5	Dividend policy.	9; 30; 35 to 36; 239; 510
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
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
18.6	Legal and arbitration proceedings.	296 to 299; 493 to 497; 599 to 600
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

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18.7	Significant change in the issuer's financial position.	626
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
Section 19	**Additional information**	**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
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
19.1.2	If there are shares not representing capital, state the number and main characteristics of such shares.	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
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
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
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
19.1.7	A history of share capital, highlighting information about any changes, for the period covered by the historical financial information.	29; 509
19.2	Memorandum and Articles of Association.	618 to 624
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
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
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
Section 20	**Material contracts**	**390 to 392; 572 to 575; 625 to 626; 637 to 644**
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
Section 21	**Documents available**	**626**
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.: not applicable.

(1) In accordance with Article 28 of EC Regulation 809/2004 and Article 212–11 of the AMF's General Regulations, the following are incorporated by reference:

- *the annual and consolidated financial statements for the year ended 31 December 2017 and the corresponding Statutory Auditors' Reports, as well as the Group's management report, appearing respectively on pages 468 to 519 and 318 to 460, on pages 520 to 523 and 461 to 466 and on pages 168 to 192 of the Crédit Agricole S.A. Registration Document 2017 registered by the AMF on 22 March 2018 under number D.18-0164;*
- *the annual and consolidated financial statements for the year ended 31 December 2018 and the corresponding Statutory Auditors' Reports, as well as the Group's management report, appearing respectively on pages 518 to 559 and 346 to 510, on pages 560 to 563 and 511 to 517 and on pages 178 to 203 of the Crédit Agricole S.A. Registration Document 2018 registered by the AMF on 26 March 2019 under number D.19-0198.*

The sections of the registration documents number D.18-0164 and number D.19-0198 not referred to above are either not applicable to investors or are covered in another part of this registration document.

All these documents incorporated by reference in this registration document have been filed with the French Financial Markets Authority *(Autorité des marchés financiers)* and can be obtained free of charge at the usual opening hours of the office at the headquarters of the issuer as indicated at the end of this registration document. These documents are available on the website of the issuer (https://www.credit-agricole.com/en/finance/finance/financial-publications) and on the website of the AMF (www.amf-france.org).

The incorporated information by reference has to be red according to the following cross-reference table. Any information not indicated in the cross-reference table but included in the documents incorporated by reference is only given for information.

REGULATED INFORMATION WITHIN THE MEANING OF THE AMF'S GENERAL REGULATIONS CONTAINED IN THIS UNIVERSAL REGISTRATION DOCUMENT CAN BE FOUND ON THE PAGES SHOWN IN THE CORRESPONDENCE TABLE BELOW

This Universal registration document, which is published in the form of an annual report, includes all components of the 2019 Annual Financial Report referred to in paragraph I of Article L. 451-1-2 of the French Monetary and Financial Code as well as in Article 222-3 of the AMF's General Regulations and the ordinance 2017-1162 of 12/07/2017 from the Sapin 2 law:

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Refer to the glossary page 647 for the definition of the technical terms.

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