REGISTRATION DOCUMENT

Annual Report

2018

CRÉDIT AGRICOLE ASSURANCES

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REGISTRATION DOCUMENT

Annual Report

2018

AUTORITÉ DES MARCHÉS FINANCIERS AMF

This registration document was filed with the French Financial Markets Authority (*Autorité des marchés financiers*, AMF) on 10 April 2019, in accordance with article 212-13 of the AMF's General Regulations. It may be used in support of a financial transaction if accompanied by a transaction note approved by the AMF. This document was prepared by the issuer and its signatories are liable for its content.

MESSAGE FROM THE CHAIRWOMAN AND THE CHIEF EXECUTIVE OFFICER

ÉLISABETH EYCHENNE
Chairwoman of Crédit Agricole Assurances S.A.

In December 2018, Crédit Agricole Assurances confirmed its position as **leading insurer in France** [1] and was still ranked top banking and insurance brand [2] by Opinion Way and L'Argus. This performance once again demonstrates the robustness and effectiveness of the bancassurance model built up by Crédit Agricole Group over more than more than 30 years, building a complete, diversified insurer serving its customers through a long-term relationship of trust and proximity, from product design through to claims administration.

Crédit Agricole Assurances continued to **diversify its business mix** during 2018.

- In savings/retirement, net inflows totalled €7.3 billion, split almost equally between France and International, and consisting of more than two-thirds units of account. Mathematical provisions reached €285 billion at end-2018, including 21% in unit-linked business. To serve the long-term interests of its policyholders, Crédit Agricole Assurances Group set aside about €900 million in 2018 for the policyholder participation reserve, which is used to support the return potential on Euro contracts.
- In property & casualty insurance, Crédit Agricole Assurances Group continued its strong growth with premium income up 8.2% to €4.2 billion. New business reached a record 2,376 thousand contracts, with a net balance of 686 thousand in 2018.
- In personal protection insurance, premium income increased by 7.1% to €3.7 billion, driven by all three business lines – death & disability, creditor and group insurance.

CAA continued to **unlock intragroup synergies**, with the completion of the insourcing process of the Regional Banks'creditor insurance contracts in 2018.

Internationally, Crédit Agricole Assurances continued its development through distribution agreements with external partners. In Italy, a new strategic partnership of bancassurance with the Italian bank Credito Valtellinese (Creval) provides to Crédit Agricole Assurances the exclusive access to CreVal's distribution network for all savings products and some death & disability products. In Portugal, Crédit Agricole Assurances has acquired an additional participation of 25% in GNB Seguros, bringing the Group's participation to 75%.

Crédit Agricole Assurances moreover stands as a major player of **responsible investment**. The Group won in October 2018 the "Global Invest Sustainable Insurance Company of the year" award organised by l'Agefi which rewards the integration of ESG (Environmental, Social and Governance) criteria in management processes and the participation in the financing of energy transition. In addition, in November 2018, Crédit Agricole Assurances won an award in life insurance at the "Future Bancassurance Awards 2018" held in Milan for its "Credit Agricole Vita Global Solution" fund range, a range of new socially responsible investment solutions integrating ESG criteria.

(1) Source: L'Argus de l'assurance, 21 December 2018, end-2018 data.
(2) Source: Annual survey conducted by Opinion Way and L'Argus, which measures the image, awareness and appeal of banking and insurance brands.

FRÉDÉRIC THOMAS
Chief executive officer of Crédit Agricole Assurances

With net income Group share of €1.3 billion during the year and a Solvency II ratio of 188% at 31 December 2018, Crédit Agricole Assurances has consolidated on its robust financial position. In January 2018, Crédit Agricole Assurances also made a new €1 billion subordinated bond issue in the market, intended to finance the early repayment of intragroup debt.

These good results were driven largely by the **strong innovation capability** that has always been one of Crédit Agricole Assurances'key strengths.

In France, the group insurances of Crédit Agricole Assurances launched in January 2019 an all-in-one app "Ma Santé" a health-related services aggregator enabling employees covered by Group plans to manage their contract digitally, obtain online medical consultations and locate a healthcare professional. In property & casualty, Crédit Agricole Assurances launched in 2018 for the agricultural market a new income protection insurance and strengthened the meadows insurance.

All of these innovations form part of the **Customer Project** rolled out by the Group under Ambition 2020, which puts the customer relationship at the heart of Crédit Agricole's model.

Customer relationship also involves leveraging all the new opportunities offered by the digital revolution, both in terms of developing product offers and new ways of communication. Crédit Agricole Assurances is well advanced in the digitalisation of its selling and administration processes thanks to the **100% human, 100% digital** programme, which offers customers all possible options from remote relationships through to traditional local services. For example, the Group proposes to its partner independent wealth management advisers a 100% dematerialised process allowing them to place themselves at the heart of their customers concerns.

This strong focus on customer service has been well rewarded by the results of satisfaction surveys, with 94% of customers satisfied after a property & casualty claim and 96% satisfied after five payments on savings contract.

With support from our partner banks and based on our robust business fundamentals and the commitment of all our teams, we are confident in our ability to maintain the privileged relationships we have built with our customers.

2018 PROFILE

A GROUP WHICH COVERS ALL ITS CLIENTS' INSURANCE NEEDS, VIA ITS 3 MAIN BUSINESS LINES...

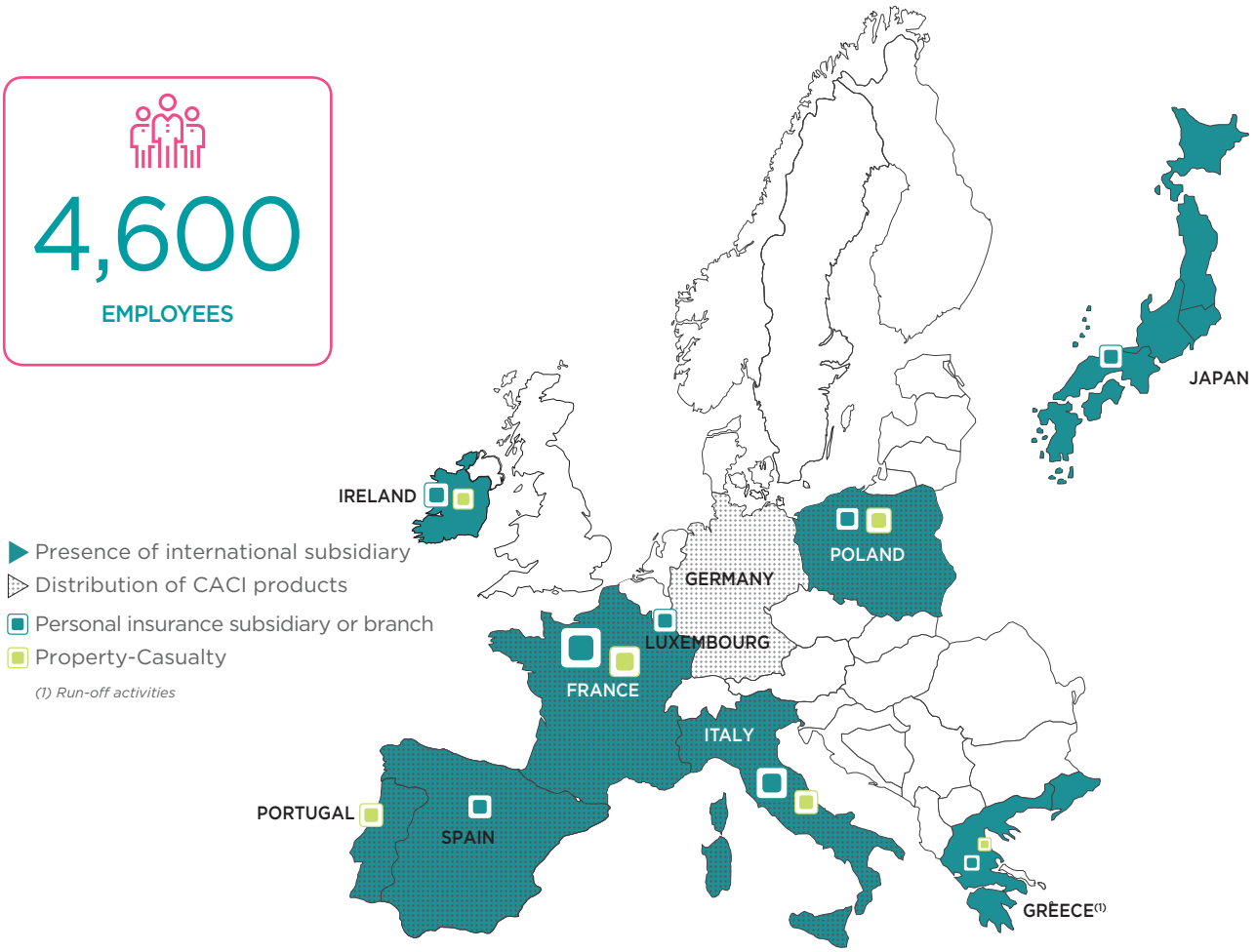
€33.5 billion
2018 GROSS REVENUES

OF WHICH **81.9%** (€27.5 billion) **IN FRANCE**

AND **18.1%** (€6.0 billion) **ABROAD**

GEOGRAPHIC COVERAGE

4,600
EMPLOYEES



(1) Run-off activities

...IN FRANCE AND ABROAD.

77%

SAVINGS / RETIREMENT [1]

12%

PROPERTY & CASUALTY [1]

11%

DEATH & DISABILITY / CREDITOR / GROUP INSURANCE [1]

3 WAYS OF DISTRIBUTION

87%

BANCASSURANCE MODEL [1]

Distribution of personal insurance, property & casualty and creditors insurance in Crédit Agricole group's banking networks.



6%

GROUP PARTNERSHIPS [1]

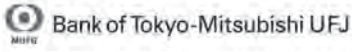
Internal financial partners together with complementary channels (Internet, independant wealth management advisers, network dedicated to health professionals).

7%

EXTERNAL PARTNERSHIPS [1]

Presence via external partnerships.

Example: presence in Japan in partnerships with local banks.



(1) *As a percentage of total revenue.*

2018 KEY FIGURES

€1.3 billion
Net income
Group share

€15 billion
Equity – Group share

€285 billion
Assets under management

SATISFACTION INDEXES

96%
IN LIFE INSURANCE
CA and LCL customers'rate of **SATISFACTION** after five benefits

94%
IN NON-LIFE INSURANCE
Rate of **SATISFACTION** after a claim in property and casualty

RANKINGS

IN EUROPE

N°1
BANCASSURANCE GROUP (1)

IN FRANCE

N°1
INSURER (2)

N°2
PERSONAL INSURANCE PROVIDER (2)

N°1
INDIVIDUAL DEATH & DISABILITY INSURER (3)

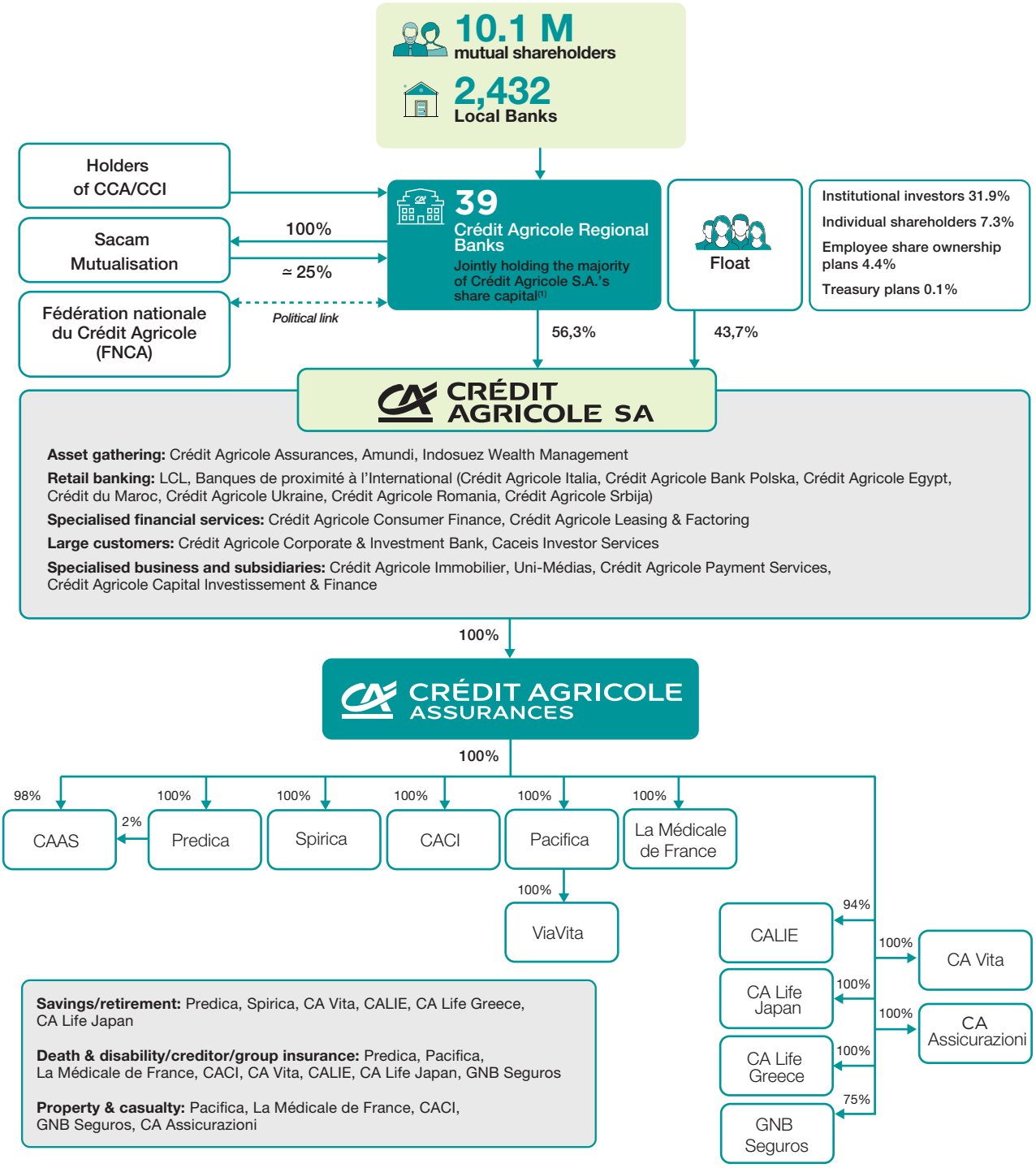
N°2
CREDITOR BANCASSURANCE GROUP (4)

N°4
HOME INSURER (5)

(1) Internal source CAA, data at end 2017. Crédit Agricole Assurances is considered as a bancassureur because of its membership to Crédit Agricole Group, which includes banking distribution network selling the insurance products.
(2) Source: L'Argus de l'assurance, 21 December 2018, data at end 2017.
(3) Source: L'Argus de l'assurance, 13 April 2018, data at end 2017.
(4) Source: L'Argus de l'assurance, 11 May 2018, data at end 2017.
(5) Source: L'Argus de l'assurance, 13 July 2018, data at end 2017.

ORGANISATION of Crédit Agricole Group and Crédit Agricole Assurances at 31 December 2018

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



(1) via SAS Rue La Boétie. The Caisse régionale de la Corse, 99.9% owned by Crédit Agricole S.A., is a shareholder of Sacam Mutualisation.

The main transactions signed between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2018, are described in the section entitled "General framework – information on related parties" of Crédit Agricole Assurances' consolidated financial statements.

2018 KEY FIGURES

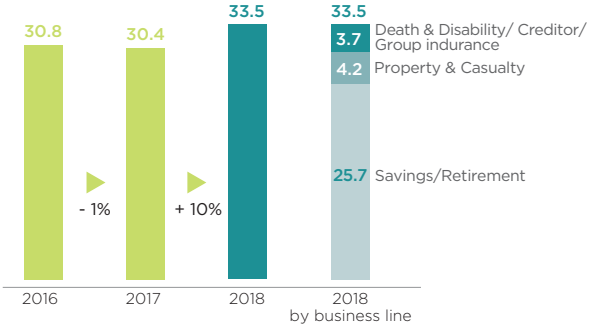
FINANCIAL INFORMATION

CHANGE IN GROSS REVENUES BY BUSINESS LINE (IFRS)

(in € billions)	2016	2017	2018	Variation %
Savings/Retirements	24.0	23.1	25.7	11.3%
Property & Casuality	3.6	3.9	4.2	6.5%
Death & Disability/ Creditor/ Group Insurance	3.2	3.4	3.7	8.1%
TOTAL	**30.8**	**30.4**	**33.5**	**10.3%**

GROSS REVENUES UNDER IFRS

(in € billions)



CHANGE IN OPERATING INCOME AND NET INCOME GROUP SHARE

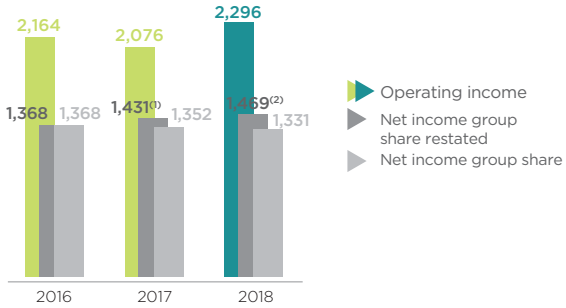
(in € millions)	2016	2017	2018	Variation %
Operating Income	2,164	2,076	2,296	10.6%
Net Income Group share	1,368	1,352	1,331	(1.6%)
Net Income Group share restated	1,368	1,431 (1)	1,469 (2)	2.7%

(1) Restatement of the corporate income surtax, which resulted in an additional charge of €79 million for Crédit Agricole Assurances.

(2) Restatement of a cash balance for a total of €138 million linked to the early repayment of a subordinated debt.

OPERATING INCOME AND NET INCOME GROUP SHARE

(in € millions)

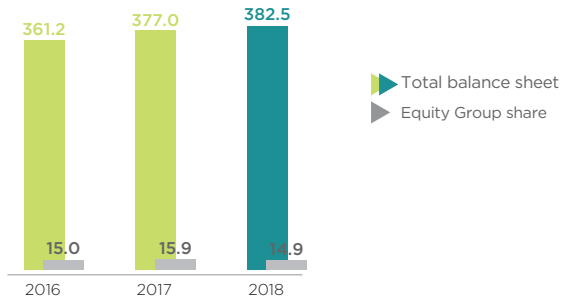


CHANGE IN BALANCE SHEET DATA

(in € billions)	2016	2017	2018	Variation %
Total balance sheet	361.2	377.0	382.5	1.5%
Equity Group share	15.0	15.9	14.9	(6.3%)

BALANCE SHEET DATA

(in € billions)

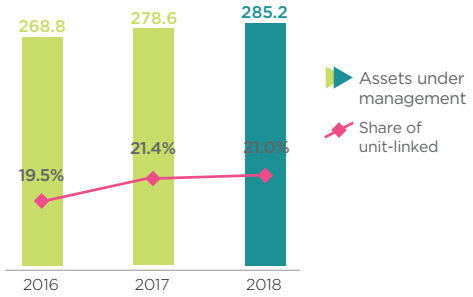


CHANGE IN ASSETS UNDER MANAGEMENT

(in € billions)	2016	2017	2018	Variation %
Assets under management	268.8	278.6	285.2	2.4%
Share of unit-linked	19.5%	21.4%	21.0%	(0.4 pp)

ASSETS UNDER MANAGEMENT

(in € billions)



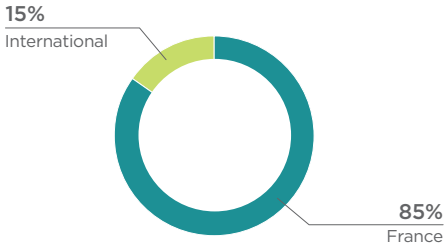
EXTRA-FINANCIAL INFORMATION

CHANGE IN NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA [1]

	2016	2017	2018	Variation %
France	2,332	2,497	2,543	1.8%
International	455	449	456	1.6%
Groupe Crédit Agricole Assurances	2,787	2,946	2,999	1.8%

(1) Note 8 section 1 of the consolidated financial statements

BREAKDOWN OF NUMBER OF EMPLOYEES BY GEOGRAPHIC AREA



188%

of Solvency 2 ratio

estimated on 31 December 2018 on the standard formula basis.

STANDARD & POOR'S RATING OF CRÉDIT AGRICOLE ASSURANCES' MAIN OPERATING SUBSIDIARIES:

(Last rating action: 19 October 2018)

A, stable outlook

1

PRESENTATION OF CRÉDIT AGRICOLE ASSURANCES

INFORMATION CONCERNING THE SHARE CAPITAL AND SHAREHOLDERS

OWNERSHIP STRUCTURE AT 31 DECEMBER 2018 AND CHANGES OVER THREE YEARS

The table below shows the changes in the number of shares of Crédit Agricole Assurances and their ownership over the last three years:

Shareholders	31/12/2018	31/12/2017	31/12/2016
Crédit Agricole S.A.	149,040,361	149,040,361	149,040,361
Other	6	6	6
TOTAL	**149,040,367**	**149,040,367**	**149,040,367**

At 31 December 2018, the share capital of Crédit Agricole Assurances S.A. is divided into of 149,040,367 ordinary shares, each with a par value of €10.

Company shares have not been the subject of any public offering and are not admitted for trading on any regulated market.

On 31 December 2018, there was no Crédit Agricole Assurances S.A. employee share ownership plan.

RECENT CHANGES IN SHARE CAPITAL

The table below shows changes in the share capital of Crédit Agricole Assurances S.A. over the last five years:

Date and type of transaction	Amount of the share capital *(in euros)*	Number of shares
Share capital at 31 December 2014	**1,448,754,700**	**144,875,470**
Share capital at 31 December 2015	**1,448,754,700**	**144,875,470**
Capital increase	41,648,970	4,164,897
Share capital at 31 December 2016	**1,490,403,670**	**149,040,367**
Share capital at 31 December 2017	**1,490,403,670**	**149,040,367**
Share capital at 31 December 2018	**1,490,403,670**	**149,040,367**

DIVIDENDS – DISTRIBUTIONS

- A dividend of €6.72 per share, amounting to a total of €973,753,169.50 was distributed for 2015 in shares and cash to Crédit Agricole S.A. and in cash to other shareholders.
- A dividend of €5.54 per share, amounting to a total of €825,683,633.18 was distributed in cash to shareholders for 2016.
- A dividend of €8.13 per share, amounting to a total of €1,211,698,183.71 was distributed in cash to shareholders for 2017.

On 13 December 2019, the Board of Directors decided:

- to pay an interim cash dividend of € 569,334,201.94, amounting to €3.82 per share for 2018;
- to propose to the General Meeting of Shareholders planned on 18 April 2019, a final dividend of €4.17 per share, amounting to a total amount of €621,498,330.39 per share for 2018. Thus, the total dividend for 2018 amounts to €1,190,832,532.33 globally and €7.99 per share.

	2018	2017	2016	2015
Dividend per share *(in €)*	7.99	8.13	5.54	6.72
Total dividend *(in € millions)*	1,191	1,212	826	974

2018 MAIN EVENTS

CRÉDIT AGRICOLE GROUP, LEADING BRAND OF BANKING AND INSURANCE

At the 10th edition of the Opinion Way and L'Argus barometer (January 2019), which measures the image, notoriety and attractiveness of banks and insurance companies, Crédit Agricole ranked 1st for the 2nd consecutive year. The survey thus emphasises the proximity and accessibility (in branches, by phone or internet) of the brand and the attractiveness of its products, even on its most complex ranges (death & disability or health insurance). To carry out this classification, the observatory studied 16 insurance and 10 bancassurance brands among a representative sample of 3,000 people.

CRÉDIT AGRICOLE ASSURANCES, STILL THE LARGEST INSURER IN FRANCE

On 21 December 2018, l'Argus de l'Assurance published a ranking on which Crédit Agricole Assurances is once again the largest insurer in France.

This position is based on a premium income of €26.0 billion in France in 2017.

CRÉDIT AGRICOLE ASSURANCES STRENGTHENS ITS INTERNATIONAL PRESENCE

In July 2018, Crédit Agricole Assurances announced a new strategic bancassurance partnership in Italy with Italian bank Credito Valtellinese (CreVal). The partnership provides to Crédit Agricole Assurances exclusive access to CreVal's distribution network for all savings products and some death & disability products for up to 15 years.

In October 2018, Crédit Agricole Assurances and Seguradores Unidas announced the conclusion of an agreement, effective from December 21st 2018, bringing the participation of Crédit Agricole Assurances from 50% to 75%.

These operations are part of the development strategy of the insurance business beyond the Group's distribution networks, *via* international partnerships.

HISTORY OF THE COMPANY

1986 — **Predica** Life insurance
Creation of Predica – natural extension of banking network's savings business into life insurance

1990 — **Pacifica** Property & casualty
Creation of Pacifica – development of Property & Casualty business

2004 — **UAF & La Médicale de France**
Merger with UAF and integration of La Médicale de France and UAF Patrimoine Development of alternative life and non-life networks (Independant Financial Advisors and healthcare professionals)

2008 — **CACI** Creditor insurance
Creation of CACI – development of creditor insurance business managed from Dublin in 10 countries

2009 — **Crédit Agricole Assurances**
Creation of Crédit Agricole Assurances CAA holding company of a group including Predica, Pacifica, CACI and international subsidiaries

2010 — **Dolcea Vie** Life insurance
Diversification of web: BforBank's life insurance gateway

Caagis IT and back-office platform
Creation of a single IT and back-office platform managing 20 million policies

PROTECTION OF FARMERS'INCOME: PACIFICA INNOVATES AND ANNOUNCES THE LAUNCH OF A NEW "INCOME PROTECTION" INSURANCE

Pacifica, a French property and casualty insurance subsidiary of Crédit Agricole Assurances, announced the launch of the "Income protection" insurance, a simple, innovative and customizable solution.

Securing farmer's income against climatic and market changes, whose impacts are increasingly hard on their revenues, has become a growing need. Since the launch of the "Crops" insurance in 2005, Pacifica reaffirmed its pioneering position in this area: creation of farm operation insurances with the redesign of the crops insurance in 2015 and the launch of Meadows insurance, among others.

CRÉDIT AGRICOLE ASSURANCES REWARDED FOR ITS ENGAGEMENT IN SUSTAINABLE INVESTMENT

Crédit Agricole Assurances won the "Global Invest Sustainable Insurance company of the year" award at the Global Invest Sustainable Awards organised by l'Agefi. This award recognises the integration of Environmental, Social and Governance (ESG) criteria in management processes, the participation in the financing of energy transition, and the precision and transparency of the ESG report.

CRÉDIT AGRICOLE VITA, AN ITALIAN LIFE INSURANCE SUBSIDIARY OF CRÉDIT AGRICOLE ASSURANCES, AWARDED AT THE "FUTURE BANCASSURANCE AWARDS 2018"

In November 2018, Crédit Agricole Vita, an Italian life insurance subsidiary of Crédit Agricole Assurances, won awards at the "Future Bancassurance Awards 2018" in Milan for its "Credit Agricole Vita Global Solution" fund range, a range of new socially responsible investment solutions integrating ESG criteria.

2011

Diversification and anhanced presence at top of range and on web

Spirica LifeSide Patrimoine
Life insurance

2012

Sales of Bes Vida (Portugal), **Vente de Bancassurance S.A.L** (Lebannon), **Increased ownership of CA Vita** (Italy) **to 100%**

2014

Merger of **Dolcea Vie** and **Spirica CA Insurance Poland**

2015

UAF Life Patrimoine

2017

Creation of CAAS (Crédit Agricole Assurances Solutions), new common employer for Crédit Agricole Assurances, Predica, Caci Gestion and Caagis employees

2018

Continued refocusing of business internationally in key Group countries:

- **2012:** sale of Bes Vida and Bancassurance S.A.L. Acquisition of 50% of CA Vita increasing Crédit Agricole Assurances's ownership to 100%
- **2014:** creation of Crédit Agricole Insurance Poland: development of Property & Casualty business in Poland

Simplification of the organisation:

- Merger of Spirica and Dolcea Vie
- Union of UAF Patrimoine and LifeSide Patrimoine to create UAF Life Patrimoine, a new structure dedicated to independent financial advisors

The Group strengthens its international dimension:

- **2018:** Acquisition of 25% of GNB Seguros bringing its total ownership to 75%
- Acquisition of 5% of the share capital of Credito Valtellinese S.p.A.
- Acquisition of 100% of the share capial of Global Assicurazioni S.p.A.

THE BUSINESS LINES OF CRÉDIT AGRICOLE ASSURANCES

BUSINESS AND ORGANISATION

Crédit Agricole Group is the largest bancassureur [1] in Europe and the largest insurance group in France by written premiums (*source: L'Argus de assurance, 21 December 2018, data at end-2017*).

These rankings are based on a full, competitive offering tailored to the specific needs of each domestic market and each local partner. Crédit Agricole Assurances Group companies cover all the insurance needs of customers in France and abroad, through three core business lines: Savings & retirement, Death & disability, Creditor and Group insurance, and Property & casualty insurance.

Crédit Agricole Assurances' strength also lies in its membership of the Crédit Agricole Group, which enables it to draw on the efficiency and performance of one of Europe's largest banking groups, with some 50,000 advisers serving almost 52 million customers worldwide.

In January 2018, Crédit Agricole was named the leading bank and insurance brand in France for the second consecutive year (*source: an annual survey conducted by Opinion Way and L'Argus, which measures the image, reputation and attractiveness of banks and insurance companies*).

SAVINGS AND RETIREMENT

Crédit Agricole Assurances is the second largest life insurance provider in France on the basis of written premiums and assets under management (*source: L'Argus de l'assurance, 8 June 2018*).

For more than 30 years, the Group has built its success on its ability to meet the needs of its customers and distributors, thanks to the quality of its offering and its proactive approach in a changing environment.

In a climate of historically low bond yields, the Group proposes diversified investment vehicles and an online management tool designed for insurance. It can therefore offer customers a high degree of flexibility no matter what their objectives are:

- saving, passing on capital or financing projects (anticipating private or professional transactions requiring financial resources, protecting one's family and preparing for one's children's future);
- preparing for retirement (providing solutions adapted to customers' needs and income to ensure that they are comfortable when the time comes).

In 2018, gross revenues from the savings business amounted to €24.9 billion, up 12% compared with 2017.

Gross revenues from the retirement business were €0.8 billion. PERP retirement savings plans, on which the Group ranks 2nd in the French market (source: L'Argus de assurance, 21 September 2018), account for approximately 30% of this total.

In France, Crédit Agricole Assurances distributes its products primarily to the individual, wealth management, farming, small business and corporate customers of the Crédit Agricole Regional Banks (more than 7,000 branches) and LCL (more than 2,000 branches).

Internationally, Crédit Agricole Assurances operates through Crédit Agricole Group entities in Italy, Luxembourg and Poland, where it continues to export and tailor its bancassurance expertise [1]. It also continues to expand through distribution agreements with outside partners in Italy, Portugal, Japan and Luxembourg. In Italy, a new strategic bancassurance partnership with Italian bank Credito Valtellinese (CreVal) has given Crédit Agricole Assurances exclusive access to CreVal's distribution network for all savings products and some death & disability products.

In 2018, Les Dossiers de l'Epargne awarded the Excellence Label to several of the Group's products, bearing witness to their quality: Crédit Agricole's Floripro, Floriane 2 and Espace Liberté 3, LCL's Acuity 2, Predirente (life insurance contracts), as well as various top-up retirement products offered by Crédit Agricole and LCL.

In Italy, the Group's second domestic market, Crédit Agricole Assurances' life insurance company, Crédit Agricole Vita, won awards at the November 2018 "Future Bancassurance Awards 2018" in Milan for its Credit Agricole Vita Global Solution fund range, a range of new socially responsible investment solutions integrating ESG (environmental, social and governance) criteria.

In addition, the Group is also developing its business through alternative networks, such as platforms and groups of independent financial advisers, a network of 125 general insurance agents working in 45 regional branches dedicated to healthcare professionals, online brokers and private bankers.

(1) *Crédit Agricole Assurances is called a bancassurer because of its membership of Crédit Agricole Group, whose banking distribution networks sell the insurance products.*

DEATH & DISABILITY/CREDITOR/GROUP INSURANCE

Crédit Agricole Assurances is France's leading provider of individual death & disability insurance (*source: L'Argus de l'assurance, 13 April 2018*) and the second largest bancassurer in creditor insurance (*source: L'Argus de l'assurance, 11 May 2018*). Group insurance, a new business launched in 2015, covered some 600,000 people at 1 January 2019.

Through the combined expertise of its various insurance companies in France and abroad, Crédit Agricole Assurances Group provides individual and group insurance solutions to customers seeking to:

- protect themselves and their families against the financial consequences of a serious life event (death, loss of independence, hospitalisation or injury) through death & disability policies, funeral coverage and long-term care insurance;
- guarantee the repayment of a loan in the event of disability or unemployment through creditor insurance for consumer finance and mortgage loans;
- provide their employees with a top-up health and death & disability insurance plan.

Death & disability products are sold through Crédit Agricole Group's branch networks in France and abroad, as well as through a network of general agents in France dedicated to healthcare professionals and through partnerships with independent financial advisers.

Gross revenues from death & disability business amounted to €1.2 billion in 2018.

The Pacifica funeral and personal accident policies sold by Crédit Agricole and LCL, as well as Médiprat, were awarded Les Dossiers de l'Epargne's Excellence Label in 2018.

In Italy, the new "Surgery protection" product offered by Crédit Agricole Assicurazioni, the Group's non-life insurance company, was rewarded at the "Italy Protection Awards 2018" for the quality of pre and post-surgery support, particularly for complex pathologies.

In creditor insurance, Crédit Agricole Assurances provides its services through some forty partner consumer finance companies and retail banks in six countries.

On 22 June 2017, Crédit Agricole Group and CNP Assurances signed an agreement on creditor insurance for the Crédit Agricole Regional Banks network. This agreement followed Crédit Agricole Group's announcement, in its medium-term plan unveiled in March 2016, of its decision to insource the Regional Banks' creditor insurance contracts within its subsidiary Crédit Agricole Assurances. The insourcing of new business was completed in April 2018. CNP Assurances will continue to co-insure 50% of the outstanding contracts until their extinction.

Gross revenues from the creditor insurance business amounted to €2.2 billion in 2018.

Pacifica's loss of employment and Crédit Agricole's capital and major projects insurance products were awarded Les Dossiers de l'Épargne's Excellence Label in 2018.

Gross revenues from Group insurance business amounted to €263 million in 2018. The number of people covered increased by around 100,000 year-on-year.

PROPERTY & CASUALTY INSURANCE

Crédit Agricole Assurances is France's largest car, home and health bancassurer (*source: L'Argus de l'assurance, 11 May 2018*) and fifth largest property and liability insurer in France (*source: L'Argus de assurance, 21 December 2018*).

To protect its customers against risk and assist them in their daily lives, Crédit Agricole Assurances offers a full range of property and casualty insurance to individual and small business customers:

- property and liability insurance (car, home, etc.) to deal with unexpected events such as fire, theft or bad weather;
- protection of farming and business assets;
- top-up health insurance;
- personal accident insurance for effective, sure protection of the entire family;
- insurance of electronic devices in the home;
- legal protection;
- professional indemnity;
- banking-related insurance (against theft, loss or fraudulent use of payment instruments);
- for the agricultural market, a new income protection policy and strengthening of the pasture policy.

Gross revenues from property & casualty business amounted to €4.1 billion in 2018.

These products are sold mainly to customers of Crédit Agricole's Regional Banks (network of almost 7,000 branches with 38,500 insurance advisers and 536 business insurance advisers dedicated to business and farming customers) and customers of LCL (network of almost 2,000 branches with 8,500 insurance advisers), as well as through a network of agents for healthcare professionals.

In France, the Group also has 16 claims administration centres and one crop insurance claims administration centre.

In 2018, Les Dossiers de l'Epargne awarded the Excellence Label to the motor insurance sold by Crédit Agricole and LCL, Pacifica's all-risks business insurance and the comprehensive household insurance sold by Crédit Agricole, LCL and La Médicale.

In the international markets, Crédit Agricole Assurances is capitalising on its successful bancassurance model to roll out its expertise in property & casualty insurance.

EVENTS IN 2018

2018 was a year of both international development for Crédit Agricole Assurances Group and a year of regulatory change:

- from a prudential point of view: Crédit Agricole Assurances continued to adapt its commercial policy, asset allocation and financial resources to Solvency II quantitative requirements. The prudential ratio stood at 188% at end-2018, relatively stable compared with end-2017. Crédit Agricole Assurances is ready for the changes due to come into effect in 2019 and 2020, in particular the proposed revision of the standard formula drawn up by the European Insurance and Occupational Pensions Authority (EIOPA), which is currently under review by the European authorities;
- from an accounting point of view, IFRS 9, the new accounting standard for financial instruments, came into effect on 1 January 2018. Crédit Agricole Assurances has election to apply this standard using the "overlay" approach from 1 January 2018. This decision enables Credit Agricole Group to achieve consistent accounting treatment of financial instruments between its banking and insurance activities, while taking into account the specific features of the insurance business (by adjusting for the effects of the timing difference between the date of application of IFRS 9 and that of IFRS 17, the future standard on insurance contracts);
- from a distribution point of view:
  - the Insurance Distribution Directive (IDD) 2016/97 of 20 January 2016, published in the OJEU on 2 February 2016, came into effect on 1 October 2018. The Directive meets the European legislator's aim of improving consumer protection and harmonising national rules on the distribution of insurance products. There is a strong emphasis on traceability of the duty to advise and on the implementation of control procedures for product design and distribution. All distributors of non-life insurance products are now required to give their customers a new standardised insurance product information document (IPID). Within Crédit Agricole Assurances Group, the product governance and oversight policy has been adapted to take account of these new regulations (revision of the new products/new business process, identification criteria and control arrangements for target markets, review of compensation arrangements for distribution networks, etc.). The non-life companies have also provided their partner banks with standardised product information documents. The system for training staff responsible for distributing insurance products is currently being revised to take account of the new rules,
  - on 24 July 2018, Crédit Agricole Assurances announced a new strategic bancassurance partnership in Italy with Italian bank Credito Valtellinese (CreVal). The partnership will give the group's Italian subsidiary, Crédit Agricole Vita S.p.A., exclusive access to CreVal's distribution network for all savings products and some death & disability products for up to 15 years. CreVal has a network of around 412 branches serving almost one million customers. Under this partnership, in 2018 Crédit Agricole Assurances acquired the entire share capital of CreVal's insurance broker Stelvio Agenzia Assicurativa (now Global Assicurazioni S.p.A. after restructuring and refocusing on life and death & disability insurance distributed by the CreVal network). The price of the acquisition was €70 million upon closing the transaction plus contingent consideration of up to €10 million payable at the end of the fifth year of the partnership based on the achievement of certain pre-defined objectives. The transaction strengthens the Group's presence in Italy and is in line with the insurance business's strategy of developing beyond the Group's distribution networks through international partnerships. To strengthen the partnership, Crédit Agricole Assurances acquired a 5% minority interest in CreVal in July 2018;
- in the digital field, the group insurance business launched an all-in-one app called "Ma Santé", a health-related services aggregator enabling employees covered by group plans to manage their contract digitally, obtain online medical consultations and locate a healthcare professional.

Crédit Agricole Assurances continues to pursue its policy of selective development in the most value-creating businesses. For example, in 2018, it further strengthened its protection and property & casualty activities, and introduced new savings solutions for customers focusing more on unit-linked investment, while complying with its duty to advise. In addition, Crédit Agricole Assurances continues to adapt its product ranges by encouraging the development of synergies with Crédit Agricole Group: insourcing creditor insurance contracts distributed by the Regional Banks, strengthening the integrated commercial/advice arrangements between Amundi and Crédit Agricole Assurances to cover the entire group insurance offering.

Gross revenues totalled €33.5 billion in 2018, up approximately 10% compared with 2017.

In savings & retirement, revenues totalled €25.7 billion, up approximately 11% compared with 2017. Unit-linked business accounted for 28.4% of gross inflows in 2018.

Net inflows amounted to €7.3 billion over the year, of which €4.4 billion in France. €5.1 billion of net inflows came from unit-linked business, up 16% compared with 2017 and representing 69% of total net inflows in 2018, while €2.2 billion came from traditional with-profits business.

Savings & retirement assets under management stood at €285 billion at 31 December 2018, of which 21% in unit-linked products.

Property & casualty revenues continued to grow apace, reaching €4.1 billion in 2018, up by around 5% compared with 2017. New business reached a record level of 2,376,000 contracts, with a net balance of 686,000 in 2018.

Death & disability, creditor and group insurance revenues amounted to €3.7 billion, up around 10% compared with 2017, driven by creditor and group insurance.

SOLVENCY

Since 1 January 2016, European insurers have to comply with a new regulatory framework, Solvency 2. They now use new methods to calculate their capital requirements, which require to quantify their risk exposure, then to compare the result obtained in terms of capital with the level of available capital (pillar 1). Insurers also have to attest that the governance and risks policy adopted enable a sound, prudent and efficient management (pillar 2). Then, enhanced regulatory reporting, which deliver both quantitative and qualitative information, have to be produced in order to attest the quality of the organization and the financial strength of the company (pillar 3).

QUANTITATIVE REQUIREMENTS (PILLAR 1)

For several years, Crédit Agricole Assurances has adapted its strategy to match perfectly the Solvency 2 directive, whether in terms of activity, investments policy or liabilities structure:

- orientation of the business policy towards death & disability, property & casualty insurance and unit-linked retirement/savings products in order to meet the diversification and profitability targets;
- optimization of assets allocation (investments in more diversified assets and unlisted fixed-income securities and local authority financing, which bring regular and little volatile returns; development of strategic investments and interest rate hedging policy);
- adjustment of financial resources to the eligibility criteria and required level under Solvency 2, either *via* issues (in particular two issues recognised as Tier 1 *via* the grandfathering clause, in October 2014 and January 2015, respectively for €750 million and €1 billion, as well as issues of bonds classified Tier 2 in June and September 2016, then in January 2018, for an amount of €1 billion in each case) or *via* a strengthening of reserves and provisions.

Regulatory capital requirements are measured through two indicators:

- the MCR (Minimum Capital Requirement), which is the minimum level of capital, below which the supervisory authority intervenes;
- the SCR (Solvency Capital Requirement), which is the target level of capital necessary to absorb the shock induced by a major risk (for instance: an exceptional damage, a shock on the assets...).

At Crédit Agricole Assurances Group level, the evaluation of the regulatory capital required is calculated by using the standard formula of the Solvency 2 directive (formula and assumptions proposed by the European Insurance and Occupational Pensions Authority), which is adapted to the risk profile of the Group. No transitional measure was used by the Group, except for grandfathering clause on subordinated debts. The standard formula covers all risks (market risks, life underwriting risks, non-life underwriting risks, health underwriting risks, counterparty default risks, operational risks), market and life underwriting risks representing the major part of the capital required, reflecting the predominance of savings and retirement activities in Crédit Agricole Assurances Group.

At 31 December 2018, the MCR coverage ratio of Crédit Agricole Assurances amounted to 343%.

At 31 December 2018, the SCR coverage ratio of Crédit Agricole Assurances amounted to 188%, in line with its target of 160%-200%. The change in the ratio compared to the end of 2017 (195%) is explained on the one hand by the repayment of intragroup subordinated debts for €360 million, and on the other by the deterioration of the situation in the financial markets (unfavourable interest rate environment and decline in equity markets).

QUALITATIVE REQUIREMENTS (PILLAR 2)

Moreover, Crédit Agricole Assurances Group set up a governance and risks management, which are in line with Solvency 2 recommendations.

Crédit Agricole Assurances'governance includes three executive directors, beyond the "four eyes rule" specified by the supervisory authority.

Four key functions were set up, as defined by the directive:

- the risk-management function, which conducts the risk management framework at Crédit Agricole Aassurances'group level, is in charge of the consistency of its implementation in the subsidiaries, manages the risk mapping, monitors the evolution of the risk profile, issues opinions on the transversal risk management, reports the risk exposures and its level of control to the governance;
- the actuarial function, which defines the Group's norms and standards for the prudential technical provisions, is in charge of the consistency and the adequacy of the Group's technical provisions'calculation, formulates its "actuarial" opinion on provisioning, controls the definition of the underwriting and reinsurance policies and their implementations, organizes the coordination with the actuarial functions defined in the entities, contributes to the technical risk management at Credit Agricole Assurances'group level;

- the compliance function, which is in charge of the coordination of the entities 'compliance functions and conducts the Group's projects, manages the implementation in the Group's entities of a compliance procedures corpus which is the Group's view of the non-compliance risks and the implementation of the devices contributing to its efficiency, supports the Directions for compliance questions at the Group level;
- the internal audit function, which provides a professional and independent opinion to the AMSB (Administrative Management or Supervisory Body) on the adequacy and effectiveness of the internal control system and other governance system elements, on the compliance of the activities with the strategy and the defined risk appetence, the written policies, activities'conduct and monitoring devices, leads audit missions on the spot checks into the existence (activities control, audit plan implementation, setting corrective measures and implementation of their follow-up).

Crédit Agricole Assurances Group carries out estimates of its risks and solvency in the framework of the ORSA (Own Risk and Solvency Assessment) and has submitted a report to the supervisory authority every year since 2015. It estimates the overall solvency need, taking into account the specific risk profile, the approved limits of risk tolerance and business strategies. It enables to examine the extent to which the risk profile deviates from the assumptions of the standard formula and to verify the continuous compliance, in the short or longer term, with solvency requirements.

INFORMATION TO THE PUBLIC AND SUPERVISORY AUTHORITY (PILLAR 3)

The Solvency 2 directive provides for the realization of annual quantitative statements, the QRT (Quantitative Reporting Templates). They are dashboards, the data of which were stated by the EIOPA, and which cover the main business lines of an insurer: assets management, technical reserves, equity, balance sheet, reinsurance program, changes analysis.

Narrative reports are also required, with the purpose of describing the company's activity, its system of governance, its risk profile. They are complementary to the annual quantitative statements, providing amongst others information on valuation methods used as well as precisions on capital management. There are two narrative reports:

- the SFCR (Solvency and Financial Conditions Report), aimed at the public;
- the RSR (Regular Supervisory Report), aimed at the supervisory authority.

In accordance with the Solvency 2 directive, all European entities and the Crédit Agricole Assurances Groupe communicate annually the required RSR and QRT to the regulators concerned. The SFCR and annual QRT for the public are published and are available at www.ca-assurances.com.

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ECONOMIC, SOCIAL AND ENVIRONMENTAL INFORMATION

INTRODUCTION

As of 2018, the annual CSR report required by the 2012 Grenelle II law has been replaced by a Non-Financial Statement (NFS) governed by the law of 19 July 2017 and its implementation decrees. As permitted by the law, Crédit Agricole Assurances has elected not to produce an NFS inasmuch as Crédit Agricole S.A., its parent company, produces a consolidated Non-Financial Statement for the Group, including non-financial information for its entities and subsidiaries, which is published in its annual registration document. Crédit Agricole Assurances therefore takes a voluntary approach to corporate social responsibility (CSR) reporting

EMBEDDING CSR IN BUSINESS OPERATIONS

In keeping with Crédit Agricole Group's commitments, since 2010 Crédit Agricole Assurances (CAA) has deployed a socially responsible approach in all its business lines and activities, which are mainly housed in its insurance companies Predica (life insurance), Pacifica (property & casualty insurance) and CACI (creditor insurance). CAA also has two other insurance companies: Spirica, which is dedicated to independent financial advisers, and *La Médicale*, which specialises in insurance for healthcare professionals.

CSR is a strategic issue for CAA and this is reflected in its Assurances 2020 medium-term plan. Adjustments are made each year to ensure that CAA's policy is aligned to the expectations of its main stakeholders. The CSR strategy has been validated by CAA's Executive Committee and was presented to the Board of Directors in December 2018.

Analysing CSR issues

This approach was restructured in 2016 with a new CSR strategy aiming to embed the strategy more deeply into CAA's business operations.

The strategy was drawn up after substantial consultation with internal stakeholders (executive management) and external stakeholders (shareholder and *Fédération nationale du Crédit Agricole*). This approach led to a structured CSR strategy that all employees can identify with, embedded directly in CAA's overall strategy.

In 2017, to support these strategic thrusts, a materiality matrix was drawn up in conjunction with the entities' CSR stewards during a dedicated workshop. The matrix is based on documentary work (including benchmarking, stakeholder mapping, Fédération Française de l'Assurance publications) and the CSR barometer devised by Crédit Agricole S.A.

At present, the main CSR issues are:

1. Observing ethical business conduct
2. Building a lasting relationship with customers
3. Assessing and managing ESG and climate risks
4. Embedding ESG criteria more deeply in products and investments
5 Stepping up the preventive approach
6. Financing a low carbon economy
7. Improving the quality of work life
8. Guaranteeing fairness and promoting diversity
9. Supporting customers faced with new risks
10. Encouraging the personal development and skills of employees
11. Reducing the direct environmental footprint
12. Deploying a responsible purchasing policy
13. Developing an outreach culture

Identification of these priority issues supported the main thrusts of CAA's CSR policy:

- **acting as a responsible insurer**: its first responsibility is to protect its customers by providing products, advice and a quality service tailored to their needs and expectations, while also including a preventive approach in all its products. CAA must also embed social and environmental issues throughout the entire value chain;
- **acting as a responsible investor**: as a leading institutional investor, CAA has a major responsibility regarding the choice of the companies in which it invests. It fulfils this responsibility by taking a selective approach to issuers based on non-financial criteria;
- **acting as a responsible company**: in accordance with its operational focus on business ethics, CAA strives to take into account the social and environmental impacts of its operations both in its purchasing processes and in managing resources as well as waste. As a subsidiary of a mutual group, CAA also places a strong focus on employee development, which involves improving the quality of work life, guaranteeing fair treatment and promoting diversity.

In step with the Group's approach

CAA is aligned to Crédit Agricole Group's CSR strategy and uses FReD, the Group's internal CSR performance monitoring and measurement system. In use since 2012, FReD is based on three pillars relating to trust and customer relations (FIDES), respect for employees and the company's ecosystem (RESPECT) and environmental protection (DEMETER). Each year, an action plan is drawn up and validated by CAA's Executive Committee and an index is used to measure progress in the plan.

Performance assessment based on the FReD index is one of the incentive criteria that has an impact on the variable compensation earned by employees of Crédit Agricole Assurances Solutions and determines one third of the variable compensation paid to its senior executives. To create a secure framework for the FReD approach and the self-assessment process, all actions taken by CAA falling within the FReD scope were audited in 2018 by PwC, one of Crédit Agricole S.A.'s statutory auditors.

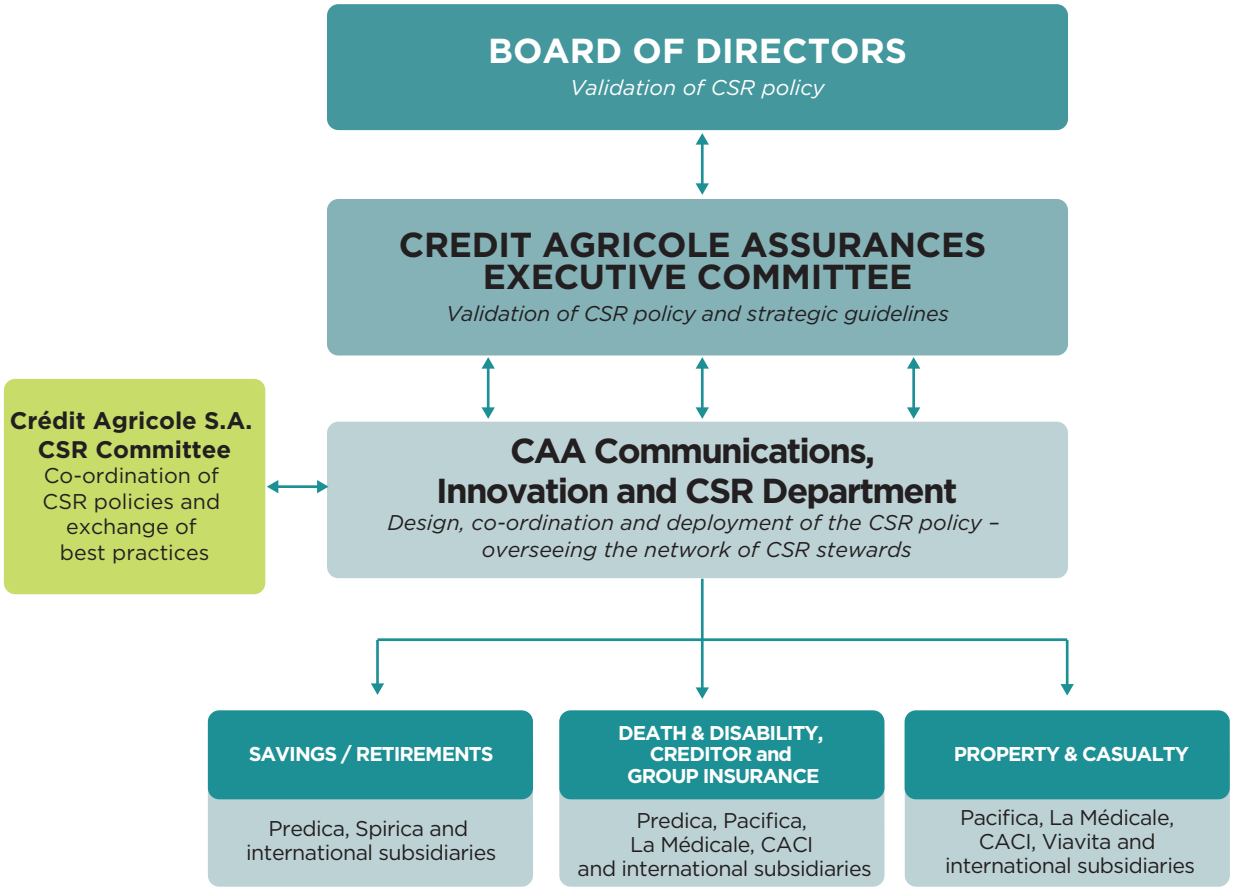
CAA has formalised its commitment by joining the major national and international initiatives. Today, this commitment is also reflected in the labels and awards won from independent organisations.

- **Signatory of***:*
  - United Nations Global Compact since 2003;
  - Principles for Responsible Investment since 2011;
  - Diversity Charter since 2008;
  - Responsible Purchasing Charter since 2010;
  - CSR Charter for FFA insurers, renewed in 2018;
  - Gender Diversity Charter since 2018.
- **Member of***:*
  - C3D – College of Sustainability directors
  - Admical – Network of Philanthropists;
  - France Silver Eco;
  - "Demographic Transitions, Economic Transitions" chair launched by Jean-Hervé Lorenzi;
  - Novethic's Circle of Institutional Investors.
- **Awards and labels***:*
  - AGEFI's Global Invest Sustainable Insurance Company of the year award in 2018;
  - Entreprise Salariés Aidants (ESA) award for supporting employee caregivers in 2016;
  - Socially responsible customers relations label for CACI since 2016;
  - "Responsible supplier relations and purchasing" label since 2014;
  - Finansol label for the "Solidarity Policy" since 2013;
  - SRI labels for 11 investment funds proposed to customers.

CSR governance

The CSR function is part of the CSR Communication and Innovation department. This structure enables CAA to harness meaningful synergies. The function reports directly to CAA's Executive Committee. It is based on a network of CSR stewards being created within its three core business lines. It is in permanent dialogue with Crédit Agricole S.A.'s CSR department.

DIAGRAM OF CSR GOVERNANCE INVOLVING CAA'S MAIN BODIES AND BUSINESS LINES



2018 SUMMARY

Material issues	Ambitions	Main achievements in 2018	FReD 2018
1. Observing ethical business conduct	Foster an ethical culture	Code of Conduct drawn up	FReD
2. Building a lasting relationship with customers	Ensure that products are clear and understandable	Contribution to the «Mon patrimoine» project	
	Support the distribution networks in providing high quality customer advice	Training programme for new joiners in group insurance (30 hours)	
	Optimise service quality	43 points on the Customer Recommendation Index for Pacifica	
	Guarantee personal data protection	Implementation of the GDPR policy [1]	
3. Assessing and managing ESG and climate risks	Take non-financial risks into consideration	CAA's EcoVadis rating	FReD
4a. Embedding ESG criteria more deeply in the product offer	Reduce social vulnerabilities: ageing population, disability, growing insecurity of some customer segments, isolation	Support for the Points Passerelle mechanism with a 6-month «payment pause» for car insurance	FReD
	Combat climate change by encouraging virtuous customer behaviour	Integration of SRI funds in unit-linked contracts	
4b. Embedding ESG criteria more deeply in investment decisions	Take ESG criteria into consideration in all asset classes	ESG filter extended to La Médicale, Spirica and CACI	FReD
	Develop shareholder engagement	All companies in which CAA is a shareholder are encouraged to communicate more about ESG issues	
5. Stepping up the preventive approach	Individuals: Embed prevention in new product offers	Awareness raising about day-to-day risks through the personal accident insurance offer	
6. Financing a low carbon economy	Invest in renewable energy infrastructure	Leading institutional investor in the energy transition, with 30% growth in installed capacity (1.7GW) compared with 2017	
7. Improving the quality of work life	Maintain a work-life balance	Right to disconnect charter drawn up	FReD
	Protecting health in the workplace	Action to prevent musculo-skeletal disorders in employees	FReD
8. Guaranteeing fairness and promoting diversity	Develop gender diversity in top management	Group target achieved: 10% increase in women in top management positions	FReD
9. Supporting customers faced with new risks	Support the agricultural world in the ecology and energy transitions	Partnership with Agro Paris Tech – Experimental farm run by the Grignon Energie Positive project	
	Adapt products to new uses and behaviours (sharing economy, etc.)	Launch of Cyber protection insurance	
10. Encouraging the personal development and skills of employees	Help employees adapt to job changes	3.4% of payroll devoted to training	
11. Reducing the direct environmental footprint	Reduce our CO_2 emissions	Group target achieved: 10% reduction in GHG emissions GES (scope 1 and 2)	FReD
12. Deploying a responsible purchasing policy	Continued roll-out of the CAsa Group approach	EcoVadis rating for the purchasing policy	FReD
13. Developing an outreach culture	Set up a system to encourage employee outreach engagement	Stop illiteracy programme	

(1) General Data Protection Regulation.

2

ACTING AS A RESPONSIBLE INSURER

TAKING AN ETHICAL APPROACH TO CUSTOMERS

CAA Group entities strive to take an ethical approach to their customers, in particular by making sure that they comply with their service commitments.

Within the CAA Group, new products and services are analysed by internal Committees (called "New Products and New Business" (NAP) Committees). These Committees are specific to each French and international entity, and are made up of representatives of the Risk, Legal, Actuarial, Marketing and Compliance functions, amongst others. These approval Committees notably ensure that the products offered to customers fulfil a real need, that they comply with the CAA Group's CSR policy and that the tools provided to the distribution networks enable them to effectively fulfil their duty to advise in the best possible conditions. They ensure that legislative and regulatory provisions are adhered to: clarity of the information provided to customers, definition of a target market, prevention of money laundering and terrorism financing, fraud prevention, compliance with internal banking and financial Codes of conduct and procedures, etc.

For several years now, CAA has been developing actions to strengthen its responsibility towards its policyholders:

- customers and partner networks are regularly involved in designing new products in co-creation workshops, during which their needs are assessed in depth and their reactions to new proposals are analysed;
- customers are also involved in the product lifecycle *via* their representatives on the governing bodies of associations that have taken out life insurance contracts: in particular, these bodies must approve any changes made to the contracts.

BUILDING A LASTING RELATIONSHIP WITH CUSTOMERS

Ensure that products are clear and understandable

Crédit Agricole Assurances has developed a product offering suited to all types of customers – individuals, small businesses, farmers and corporations – in response to the different insurance needs of its partners' customers. In the business market, a clear, understandable product offering is key to retaining the loyalty of business customers. It is essential to be transparent about the real costs to avoid the consequences of any nasty surprises. Thanks to the partner banks operating locally, CAA provides all its customers, regardless of segment, with a summary view of claims experience and indicates the appropriate measures taken to guarantee the technical equilibrium of the contract.

Moreover, advertising material and contracts are carefully scrutinised, with an emphasis on the objectivity and transparency of the documents; for example, risks as well as benefits must be prominently displayed.

Support the distribution networks in providing high quality customer advice

The distribution networks are trained to identify customer needs using their customer discovery tools. Customers' insurance needs and knowledge of financial mechanisms are assessed. The networks also receive regular training in the product offers, especially in the case of new product launches or product changes. For each new product, **Predica** and **Pacifica** produce and circulate a training pack for the distribution networks of the Crédit Agricole Regional Banks and LCL. These packs are designed to give the distributors the necessary resources to understand and explain the features of new products so that they can sell them correctly. Furthermore, CAA's Group insurance business has provided the sales teams of its partner banks with more than 30 hours of training on regulatory developments, products, tools and management processes.

For personal protection and property & casualty products, an "e-Wheel" tool shared with the customer enables an approach based on exchange, listening, awareness and satisfaction. It helps discover customers' needs so that they can be offered the most appropriate protection. Accessible from the adviser's workstation and as a tablet application, the e-Wheel helps advisers to present and explain all personal and property protection options to customers in a completely transparent way. A summary of the products selected by the customer is sent by email and archived at the end of each interview.

In the LCL network, **CACI** has rolled out iCACI Immo, a 100% digital insurance writing tool, which aims to better identify customer needs and shorten and streamline the process for taking out policies. With the Crédit Agricole Regional Banks, **CACI** has introduced an interactive digital educational tool to support the branch advisers in selling creditor insurance (presentation of coverage, simulation of the split between borrowers, comparison of contracts, etc.).

In 2018, CAA rolled out its Mon Patrimoine advisory approach, which makes high quality wealth management advice available to all customers (growing and protecting capital). Based on a shared customer-adviser application available in-branch, this approach combines human with digital to inform the customer of all available solutions, thus optimising the Customer and Adviser experience.

Optimise service quality

Claims administration

For an insurer, handling claims (fire, theft, water damage, hail damage, road accidents, etc.) is a major issue in terms of responsibility. Pacifica therefore offers an active, fast service, along with quality customer support. The claims administration centres and partner networks involved in this service are in close proximity to the customers making the claim and are therefore able to offer a solution tailored to each specific situation. In 2018, Pacifica once again demonstrated its ability to act swiftly during the succession of weather events (storm, hail, snow, flood) in the first half of 2018.

ACCESSIBILITY FOR THE HARD OF HEARING AND VISUALLY IMPAIRED

In 2018, **Pacifica** worked on making its telephone service for claims reporting and assistance accessible to people with impaired hearing, sight or speech (in accordance with the Digital Republic law). A specific partnership has been developed to provide a special service for these customers. Assistants have been trained to handle their very specific needs. The service includes a sign language interpreter and/or text transcription for the customer in real time. This solution, at no extra cost to the user, is already available to property & casualty and legal protection customers (individuals, small businesses and farmers) of Crédit Agricole and LCL across the existing channels: web portal and **Pacifica** smartphone app.

PSYCHOLOGICAL SUPPORT FOR CLAIMANTS

Every year, **Pacifica** handles more than a million claims ranging from simple windscreen breakage through to serious events (house or business fire, serious injury). Such events can be very distressing for customers and require a response that goes beyond merely paying out the benefits.

Customers need personalised psychological support in their daily life and their future plans. In response to this issue, **Pacifica** has introduced a psychological support service during the post-claim period for customers who have suffered terrorist attacks, accidents or serious weather events. The service consists of putting customers and/or their families into contact with a psychologist from our partner Réhalto, who will help them overcome their emotional trauma. In 2017, **Pacifica** called on Réhalto for 650 claims, representing more than 3,500 hours of support. In 2018 **Pacifica** called on Réhalto for 875 claims. For the first satisfaction survey conducted in 2018, the recommendation rate for the service was 95.4%.

CUSTOMER RECOMMENDATION INDEX FOLLOWING A CLAIM [1]

	2016	2017	2018
Pacifica	41 points	42 points	43 points

(1) Of 4,518 individual Pacifica customers that reported a property & casualty claim between 1 October 2017 and 30 September 2018.

GROUP INSURANCE

In 2018, the group insurance business introduced an analytical approach to death & disability insurance. As part of an experimental approach, which will be widely rolled out in 2019, the group insurance business monitored three intermediate sized enterprises, mapping their absenteeism levels and advising them on how to support their employees upon their return to work.

Complaints handling

Complaints, along with surveys, are a way of assessing customer satisfaction and, as such, deserve special attention. Dissatisfied customers expect a prompt response with clear and transparent information. They expect their questions to be answered and corrective action taken where necessary.

The procedure for handling customer complaints is regularly updated so that each business line can improve the existing system, particularly in terms of customer information about how to make a complaint, handling times and the existence of a mediation charter.

In France, the Crédit Agricole or LCL banking networks are the main contacts for handling complaints about insurance policies. If needed, customers can contact the relevant insurance companies, particularly with regard to claims handling and, if agreement cannot be reached, they may also contact the mediation service of the French Insurance Federation (FFA).

Predica has improved its procedures, in particular by introducing a periodic review of the main reasons for complaints. This may lead to improving the information provided to customers or amending procedures to make them clearer and more explicit. A quarterly Committee monitors complaints handling activity to ensure that processing time commitments are honoured, to identify any new causes for complaints and to plan corrective action. The most sensitive cases are monitored closely and shared equally among the Committee. Major complaints are also reported annually to the Management Committee.

Pacifica has developed key indicators to analyse complaints, thus promoting a better knowledge of customer expectations, expressed through dissatisfaction. As a result of this process, changes may be made to certain contracts to make sure that the policyholders have a clearer understanding of their contract. In parallel with these indicators, in 2017 Pacifica introduced a system of obtaining immediate feedback from customers about their claims. This system supplements the information gathered during annual surveys to measure policyholder satisfaction.

In creditor and death & disability insurance, CACI continues to centralise all complaints and produces reports presented at the quarterly meetings of the Complaints Handling Committee. Indicators and regulatory trends and developments are monitored by this Committee to decide on any corrective actions that may be necessary. CACI has worked on its responses to complaints to make them more understandable for customers. A monthly compliance control is performed on the complaints handling process base on volume. As part of a continuous progress approach, information reported by the telephone advisers is analysed following the complaint handling process to remedy any dysfunctions observed. A e-learning training programme has been developed to raise employee awareness about complaints handling. Lastly, the complaints handling procedures are currently being updated to comply with the GDPR.

Home care services

The home care services market is a highly demanding sector that long had a bad reputation, mainly due to a lack of professionalism on the part of both the service providers and the carers. Since its creation in 2007, **Viavita**, a CAA subsidiary specialising in home care services, has been developing a network of high quality home care service providers. From the outset, **Viavita** drew up a highly demanding quality charter to select only the best service providers based on essential criteria, including quality of customer relations, quality of services proposed, professionalism and training of carers, compliance with the terms of the engagement, respect for the customer's private life and requisite approvals and authorisations. Thanks to its information systems, **Viavita** can oversee the quality delivered by the service providers on a daily basis, using a scalable scoring tool. [1]

Unclaimed contracts

As regards unclaimed life insurance policies, **Predica**, together with the Crédit Agricole Group banks (Regional Banks and LCL), has implemented procedures to identify beneficiaries. The initial procedure involves comparing the names of the policyholders with the register of births, deaths and marriages (RNIPP).

In addition, if the search for a beneficiary is conducted in coordination with the bank, the teams responsible may also call on a network of specialised service providers, such as genealogists and private investigators.

Lastly, customers are asked to take great care when registering the beneficiary clauses for new contracts and awareness-raising measures are taken with customers, particularly at the time of key life events. The purpose of these checks is to make sure that the beneficiary clause is still appropriate for the family situation and in accordance with the policyholder's wishes.

Guarantee personal data protection

CAA Group has implemented the provisions of the General Data Protection Regulation, which came into effect on 25 May 2018.

Under this regulation, all processing of personal data must comply, from the outset, with the provisions on data protection and professional secrecy as regards customers or more generally third parties related to the company.

CAA has also distributed Crédit Agricole Group's personal data charter to its employees, which notably requires personal data to be used in the customer's interest and in full transparency.

Furthermore, when the Ma Santé app was launched, the group insurance business took great care to inform policyholders about the use of their personal data, whether in relation to their insurance contract or their health data. Health data is hosted on a certified secure (HADS) server.

Customer satisfaction rate	2016 [1]	2017	2018
Pacifica [2]	95%	95%	94%
Predica [3]	95%	95%	95%
Viavita [4]	95%	96%	N/A

(1) Based on 700 customers surveyed by an independent institute.

(2) Based on 9,000 customers that responded to a satisfaction survey on Predica's main services.

(3) Based on 4,500 individual Pacifica customers surveyed after a car or home insurance claim.

(4) As 2016 data for Viavita is not available, its 2015 customer satisfaction rate has been presented.

(1) Survey conducted in December 2017 by an independent institute – Etude Market Audit 2017 – 700 clients.

EMBEDDING ESG CRITERIA MORE DEEPLY IN THE PRODUCT OFFER

CAA Group's product offering aims to respond to the main social challenges, both human and environmental.

Reduce social vulnerabilities: ageing population, disability, growing insecurity of some customer segments, isolation

Ageing and ageing well

LONG-TERM CARE

90% of French people want to stay in their home as long as possible [1] and two out of every three French people have a family member who needs long-term care. [2] Supporting the ageing population is therefore a major challenge for the company and for society as a whole.

To respond to this challenge, **Predica** offers long-term care insurance. Approved by the French Federation of Insurance (FFA), this contract guarantees a minimum income of €500 in cases of severe long-term care needs, either to finance home care services or to cover part of the costs of living in a care home. This solution also meets the needs of families faced with a loved one's loss of independence, by providing a range of services such as financing respite care with an allowance of €1,000 per year. CAA's healthcare partners are committed to providing a response within 72 hours and a solution within 30 days, for policyholders looking to go into a care home. Their carers can also benefit from at-home training in essential carer skills provided by a nurse. At the end of 2018, **Predica** insured more than 170,000 people for long-term care risks.

Based on these elements, **Viavita**, a subsidiary that provides home care services, and Crédit Agricole Group initiated a new approach called "Living Well at Home". This customer approach aims to support seniors who wish to stay in their home as well as their carers.

Using a tablet application, the banking adviser can conduct an initial interview to discover the senior customer's life plans and needs as regards vital issues such as social relationships, day-to-day life, and comfort and security in the home. After the initial discussion, the tablet application provides the customer with advice and prevention messages, as well as the Group's solutions to meet the customer's needs (home care services, assistance in procedures, adapting the home, helpline and remote monitoring, insurance, etc.). Customers who tried out this new approach were highly satisfied as it gave them a real understanding of and information about useful solutions to support them in their life plan.

Crédit Agricole Assurances finances the Demographic Transitions Economic Transitions Chair, devoted to assessing and analysing the impacts of the unprecedented demographic shock currently being experienced in France. Since 2015, the Chair has transformed this analysis into proposed actions to give new life to a generational contract based on the belief that all economic policy measures must be thought out and implemented from an intergenerational perspective.

CAA also partners France Silver Eco, an association founded in 2009 under the direction of the Ministry of the Economy, Finance and Employment and the Ministry of Health and Social Affairs. Its role is to develop the silver economy and promote innovative solutions for active ageing.

Lastly, in 2018, CAA took part in the think tank led by the FFA in connection with the public consultation on financing long-term care led by the Ministry of Health. The purpose of the think tank was to make concrete proposals to the government for a future Long-Term Care law in 2019. In parallel, the Group continues to invest in the development and management of residential homes for seniors.

PERSONAL ACCIDENT INSURANCE

In June 2018, **Pacifica** *revamped its personal accident insurance offering. Apart from raising the age limit to 75,* **Pacifica** *also paid close attention to older customers, with an extension of cover to their grandchildren (under the age of 18) when in their grandparents' care and in their parents' absence. More and more grandparents are looking after their grandchildren on a regular basis so it was essential to find a "full" protection solution covering the grandchildren when in their grandparents' care.*

Inclusion of vulnerable populations

SOLIDARITY POLICY

Many savers would like to invest in socially responsible investments while still earning an acceptable return, in order to finance activities that combat exclusion and promote social cohesion or sustainable development. **Predica** launched a "Solidarity Policy" in 2013, the first multi-fund ethical life insurance policy to win the Finansol label. [3] It is an innovative policy that combines savings and social benefits, with:

- an ethical euro investment fund specially created for this contract, including investments of 5% to 10% in social

(1) *BVA and CNSA health barometer, 2014.*
(2) *Opinion Way survey for the Observatoire de l'Intérêt Général conducted in March 2018 across a representative sample of 1,006 people (quota method).*
(3) *The Finansol label guarantees that the funds invested will be used to finance activities with a high social value and that the fund management company will provide regular, reliable and clear information.*

enterprises (Finance et Solidarité investment fund for funds managed by Amundi, Crédit Agricole Group's asset manager). The remainder is managed in the same way as **Predica's** general assets;

- a range of seven solidarity-based unit-linked funds certified by Finansol, including investments of 5% to 10% in social enterprises (Finance et Solidarité investment fund for funds managed by Amundi). The remainder is managed on the basis of SRI (Socially Responsible Investment) criteria.

Every year **Predica** sends "Solidarity Policy" customers a report on the social impact generated by the total investment in each of the contract funds (number of jobs created or consolidated, number of people housed, number of care beneficiaries, tonnes of waste recycled, number of micro loans granted, etc.).

In 2018, a new marketing arrangement for the contract was introduced with the participation of 11 pilot Crédit Agricole Regional Banks. At end-2018, the Solidarity Contract's performance was as follows:

- *€9.1 million in assets under management (up 2.4 times compared with end-2017);*
- *Contract sold by 22 Crédit Agricole Regional Banks (versus 15 at end-2017).*

PARTICIPATION IN THE CMU-C SCHEME (FREE TOP-UP HEALTH INSURANCE)

Since 1 July 2015, around ten organisations, including **Pacifica**, have been authorised to offer top-up healthcare policies for beneficiaries of the ACS state aid. [(1)]

Pacifica's Santé Solidaire contract offers three options (Initiale Solidaire, Intermédiaire Solidaire and Intégrale Solidaire for the Crédit Agricole network and Primo Solidaire, Plus Solidaire and Prémium Solidaire for the LCL network). In addition to the standards defined by law, it also offers cover for medicines with a low therapeutic value, cover for thermal cures, access to the Carte Blanche Partenaires optical network and many assistance services. **Pacifica**'s Santé Solidaire top-up health insurance was the first offer selected by the Ministry of Health for its cost effectiveness and range of additional services.

POINTS PASSERELLE

Points Passerelle is a mechanism for helping Crédit Agricole customers in financial difficulties following a life crisis such as job loss, separation, death, illness, etc. They receive free guidance and advice from dedicated advisers who help them get back on their feet financially. For customers looking for a new job, mobility is essential.

*In 2018, **Pacifica** introduced a six-month refund of car insurance premiums for its customers. The premiums are paid by the Regional Banks that provide the Points Passerelle service and by **Pacifica**.*

SOCIAL ACTION FUND

In 2018, the group insurance business took several social action initiatives for a few targeted large accounts by setting up a special assistance fund (fed by various mechanisms) intended to meet the exceptional healthcare needs of employees for care not covered by the group insurance contract. This approach will be rolled out more widely in 2019 with a general social action fund for all insured employees.

Combat climate change by encouraging virtuous customer behaviour

The frequency of serious weather events such as hail, drought, flood and severe cold is increasing. According to experts and the latest IPCC reports, these changes are due to increased greenhouse gas emissions generated by human activity. The cost of natural disasters in the years to come will be exponential if people do not change their behaviour. Insurance can help limit these greenhouse gas emissions by encouraging policyholders to behave in a more environmentally-friendly way. It also provides support in high-risk situations.

Comprehensive home insurance

Crédit Agricole Assurances has introduced insurance cover for renewable energy facilities (solar panels, wind turbines) as part of its comprehensive home insurance and all-risks business and farming insurance policies. These products also include energy producer civil liability in the event of harm caused to third parties.

The 25% premium reduction on the first year of home insurance initially offered to people taking out an eco-PTZ loan (interest-free loan to finance work to improve a building's energy efficiency) was then extended to the Energy Economy Loan. More flexible than an eco-PTZ loan, this loan finances work designed to save energy, for example insulating walls and glazed surfaces, purchasing a condensation boiler, etc.

Car insurance

Pacifica promotes the use of hybrid and electric vehicles by waiving the excess normally payable in the event of a claim, at the time the policy is taken out. The battery and cable are also insured in the event of theft or damage, even if they are rented.

Pacifica is also adapting to new uses and covers insurance needs for ride sharing (driver injury, protection of passengers, including when they take the wheel, and assistance). For policyholders travelling less than 5,000 kilometres a year, Pacifica applies a premium reduction.

In 2018, Pacifica extended its motorcycle insurance to cover new types of electric vehicle, thus meeting insurance needs and supporting new urban mobility solutions.

(1) ACS is a State aid that covers all or part of a person's top-up health insurance contributions. It is based on income and household composition and the amount depends on the beneficiary's age.

Socially Responsible Investment (SRI)

Predica offers socially responsible unit-linked funds in most of the multi-fund life insurance products distributed by its networks. These unit-linked SRI funds offer either a thematic approach or a best-in-class approach. The international subsidiaries are also gradually introducing this approach.

Since their launch, several initiatives have been taken to promote this type of investment among both the distribution networks and customers: for example, creation of an information pack for networks, network activities during industry events (e.g. Sustainable Development Week, SRI Week, Social Finance Week), internal awareness-raising (quarterly reporting on the Intranet) and customer communication on SRI.

At the end of 2018, 11 unit-linked funds offered by Predica had received the "SRI" label developed by the French Ministry of Finance.

STEPPING UP THE PREVENTIVE APPROACH

CAA takes many initiatives to raise customer awareness about the risks covered by insurance solutions. Customers are provided with relevant prevention advice adapted to their situation, along with recommended protection measures or specific training.

CAA raises customer awareness through prevention advice included in:

- the general terms and conditions of all insurance policies written by the property & casualty subsidiary, which can be found in the customer's account area of the online bank;
- information provided on an ongoing basis by the retail networks during meetings with customers;
- information provided at specific workshops during event-driven initiatives (events devoted to a specific theme or open to the general public which Crédit Agricole Group traditionally supports).

This prevention advice may also be proposed to the bank's member shareholders at the annual general meetings of the Crédit Agricole Local Banks.

Some customers or themes receive extra support:

- a free preventive driving course is offered to young drivers, who are especially likely to be involved in road accidents. The course teaches them how to handle their vehicle in emergency situations;
- the option to purchase high quality protection equipment at low prices (smoke detectors, fire extinguishers for all customers, carbon monoxide detectors, hay probes for farmers, etc.), electrical systems checks, a CCTV system to prevent theft and remote assistance for the elderly;
- support for customers who have claimed for similar events several times. After two claims of the same kind, customers receive personalised advice by letter with an offer for turnkey services suited to the nature of their claim, for example the contact details of a CCTV partner if the claims were for theft or the contact details of a partner to check electrical systems if the claims were for electrical damage;
- proposal of insurance products including the availability of support services that can be helpful to customers and their relatives in the event of death, dependency, disability or funeral. All assistance contracts that complement the range of death & disability cover also include access to preventive advice.

The Regional Banks have developed a network of prevention experts to strengthen their expertise in the agricultural and business markets in order to better protect their customers' business operations.

Crédit Agricole Assurances supports the Regional Banks in offering fun, educational events for their mutual shareholders on preventing road risks, personal accidents, first aid or risks of falling for the elderly. A new theme has been developed on preventing the dangers inherent in digital life.

These events are held in partnership with specialist prevention associations and providers. In 2018, more than 50,000 people took part in these events.

Furthermore, in-depth medical selection in certain cases can help some policyholders to become more aware of their risk factors. Their medical check-ups are available on request and are also available to their general practitioner. For long-term care cover, **Predica** has developed a website with helpful information about long-term care issues and prevention resources such as videos, simulators and health coaching. All assistance policies which complement the range of death & disability cover also include access to preventive health advice, another prevention resource for policyholders.

In 2018, the group insurance business introduced the CA Ma Santé app. This app helps employees covered by a group plan to look after their health. It includes specialised, personalised content on various health issues, guidance through the healthcare process, online advice and consultation and health coaching proposals tailored to the person or type of job.

SUPPORTING CUSTOMERS FACED WITH NEW RISKS

Support the agricultural world in the ecology and energy transitions

Support the agricultural world

Pacifica also supports farmers faced with the challenges of climate change, by offering insurance for most types of crops (large-scale farming, vineyards, orchards) to protect against various weather events, including drought, hail, excess rainfall, floods, storms and frost. At 31 November 2018, **Pacifica** managed more than 27,000 climate insurance policies (crop, hail and pasture insurance).

In addition, after three years of pilot testing, CAA launched its income protection insurance in 2018. This is an option to the crop insurance contract, which protects against a fall in income beyond a certain level, whether due to a weather event, a price decrease or a combination of both. It is a major innovation that provides farmers with protection against weather and fluctuations in commodity prices in a single contract.

Pacifica and Airbus Defence & Space have developed a technical, innovative and robust solution to manage climate risks for livestock farmers'pasture land. It is based on a Hay Production Index and uses satellite to measure the annual level of fodder production in the pastures of each of the 36,100 townships in France. This measurement is carried out consistently over time and has been available since 2003. The index has been scientifically validated by an independent laboratory, which has led to several scientific publications. For the fourth consecutive year, the index has been validated by the Index Analysis Committee set up by the public authorities. It has now been adopted by all insurers providing pasture insurance in France.

The damage caused by cyclone Klaus in 2009 demonstrated the need to exploit and redevelop France's forests, most of which are privately owned. Insurance is a way to protect this natural heritage as, in the event of storm or fire, it is easier to replant an insured forest than a non-insured forest. **Pacifica** offers forest insurance to protect against fire, storm, natural disaster and civil liability.

At the end of 2018, more than 1 million hectares of forests were insured.

For the last eight years, a research initiative into new agricultural risks (mainly climate change related) and potential responses has been carried out in active partnership with Université Paris-Dauphine, Université de Paris-Ouest Nanterre La Défense and under the aegis of the Europlace Finance Institute. Airbus Defence & Space is also a partner, providing its expertise in satellite technology. The Crédit Agricole Grameen foundation is involved in this research work, providing expertise that is useful for developing countries. This research partnership also involves an annual donation of €100,000 to the Europlace Finance Institute. Two new partners have joined the initiative: the IDELE (French institute of livestock farming) and the CNE (French national confederation of livestock farming). An additional grant of €25,000 per year for three years has been planned to perform correlation work between field measurements taken on experimental farms and grass growth measurements, using the hay production index underpinning the pasture insurance.

In 2018, CAA marked its commitment to supporting the agricultural transition towards more sustainable practices. A three-year agreement was signed with AgroParisTech to become a partner of the Grignon Energie Positive (GE+) initiative. GE+ is a technical and research programme that aims to improve agriculture's economic, energy and environmental performance. CAA brings the programme its expertise in risk management and will work on assessing and quantifying new risks for farmers inherent in changing agricultural practices. This innovative approach will enable CAA to precisely identify needs and propose risk management tools adapted to these new agricultural practices.

ANAEROBIC DIGESTION

For several years and notably since March 2013 with the launch of the Methane Energy and Nitrogen Autonomy plan, the number of anaerobic digester projects has increased. Insurance for these facilities is essential to protect the anaerobic digestion business and agricultural production. **Pacifica** has developed an insurance offering covering damage to property (fire, storm-hail-snow, water damage, flood, theft, vandalism, machine breakdown, electrical damage), business interruption and civil liability for energy suppliers that resell electricity, heat and gas, as well as employer liability (where applicable).

Managing pollution risk

The law of 1 August 2008 created a new environmental responsibility for companies based on the "polluter pays" principle. The law requires the operator to take all prevention and protection measures to avoid all risks. In the event of environmental damage (soil pollution, damage to surface and underground water quality, preservation of species and protected natural habitats), the operator's obligations include repairing damage and restoring protected natural habitats, protected areas and species. **Pacifica** has therefore included cover, at no additional cost, in its all-risks business and agricultural policies for the cost of preventing imminent damage to the environment. This cover enables the operator to remain solvent in the event of environmental damage.

Asbestos is very common in agricultural buildings built before 1997. If the building is damaged by fire or storm, the asbestos must be removed when repairing or rebuilding. Asbestos removal is a costly operation and requires specialist skills. The all-risks agricultural and business policies include unlimited reimbursement of asbestos removal costs following a claim event.

Adapt products to new uses and behaviours

Portability of driver protection insurance for rented vehicles (car and motorcycle insurance)

New driving practices are emerging as a result of the sharing economy. Ride sharing and peer-to-peer car hire are the main examples of this. **Pacifica**'s motor insurance meets all the needs of customers who practice ride sharing. However, the insurance solutions for peer-to-peer, business-to-consumer and self-service car hire are generally of poor quality, particularly as regards driver protection. To strengthen CAA's position as a responsible bancassurer, **Pacifica** has extended the "driver protection" cover in its car and motorcycle insurance policies to hire vehicles. Customers with a **Pacifica** car or motorcycle insurance policy will therefore be covered for driver injury protection for up to €1 million with no minimum amount in the event of an accident during the hire period, in addition to the cover provided by the car hire operator's insurance. This additional feature is automatically included in all car and motorcycle policies, at no extra cost.

Boat sharing with the Assurance Plaisance policy

New features offered by **Pacifica** include "policyholder injury protection" included in all policies, plus a "boat hire" option to cover the boat when hired out (trips to sea or nights in dock).

Insuring new types of electric vehicle

In the last few years, new types of electric vehicle have appeared in towns, such as electric scooters, hoverboards, monowheels and e-bikes. **Pacifica** has devised an insurance solution for this new means of mobility by making them eligible for insurance under the motorcycle policy.

House sharing with the "rental accommodation pack" in home insurance policies

With the boom in the sharing economy, more and more people are letting their homes out to travellers such as holiday makers, tourists and businessmen, in order to make some extra money. Hosts either make the entire home available, or just one room, for one or more nights, or even the entire school year. In most cases, hosts used dedicated platforms such as Airbnb and HomeAway. In these conditions, **Pacifica** has adapted its home insurance cover to meet the new needs driven by the sharing economy. The "rental accommodation pack" is aimed at customers exposed to specific risks when they let out their main or second home:

- theft and vandalism by travellers;
- loss of income in the event of cancellation following an insured event;
- civil liability in the event of harm caused to travellers, food poisoning and the customer's safekeeping liability.

Healthcare for young people abroad

Since 1 July 2018, Pacifica has supported students going abroad on a language course, for an au pair job or to study. Healthcare costs can be very costly in some countries and often, their healthcare cover in France is not valid in other countries. This new product offer gives CAA an opportunity to maintain a relationship with these young people during their stay abroad. It is available to anyone under the age of 31 and covers reimbursement of their healthcare costs with no excess, a 24/7 multilingual hotline and assistance cover valid worldwide.

Revamp of the Personal Accident Insurance product

Pacifica will pay out for the most minor after-effects of a personal accident (minimum of 1% permanent functional impairment). Children under the age of 26 can also be covered for psychological support in the event of harassment or cyber bullying. In today's world of ever-present smartphones and social networks, bullying among schoolchildren no longer stops at the school gates. **Pacifica** has therefore introduced this cover to support children who are victims of bullying during what can be very difficult and sometimes violent times.

Cyber-protection – Business and farming customers

In an increasingly digital world, in which businesses and individuals handle ever greater amounts of information, cyber-threats have been growing exponentially over the past few years. 77% of cyber-attacks target small and medium sized companies [(1)] and the threat is increasingly present for our business customers. In these conditions, **Pacifica** has decided to protect its customers against this risk with its Cyber-Protection product offer.

Launched in 2018, it offers IT assistance to help the company restore its original data, obtain specialist help (lawyers, communications experts, etc.), cover damage related to cyber-fraud and cyber-extortion, as well as third party cover in the case of losses suffered by third parties as a result of a violation, malicious use of or attack on data belonging them. An income protection option is also available to cover total or partial business interruption following a cyber-attack.

(1) According to the Internet Security Threat Report published by Symantec in 2015.

ACTING AS A RESPONSIBLE INVESTOR

As a leading institutional investor and signatory of the Principles for Responsible Investment (PRI), the CAA Group is aware of its responsibilities with regard to the sectors and issuers in which it invests. CAA takes environmental, social and governance (ESG) factors into account when analysing, making and monitoring investment decisions, and has an appropriate reporting system to measure the progress made. Some sectors are also given priority with regard to the importance of certain social issues (health, renewable energy, financing of the economy) and in line Crédit Agricole Group's areas of excellence. Since the adoption of Article 173-VI of the French law on energy transition for green growth, CAA Group has published an ESG-climate report, available on its website ww.ca-assurances.com.

EMBEDDING ESG CRITERIA MORE DEEPLY IN INVESTMENT DECISIONS

Embedding ESG criteria in all asset classes

Amundi filter

CAA relies on the expertise of Amundi, Crédit Agricole Group's asset management company, as regards integrating non-financial (environmental, social and governance) criteria. Amundi has produced a set of 36 criteria based on the laws and directives in force and on universally accepted principles. The weighting of each of these environmental, social or governance criteria was determined in line with the issues specific to each business sector.

Within each business sector, CAA Group does not invest in European companies with the worst ESG practices.

CAA Group will not invest in issuers proven to have repeatedly breached all or some of the ten principles of the UN Global Compact. Likewise, all issuers that design, manufacture or sell controversial weapons (cluster bombs, etc.) are excluded from investment portfolios.

In addition, CAA applies a filter to exclude any new investment in the tobacco industry. From 2019, CAA intends to initiate a plan to sell any exposures it already holds.

Amundi's ESG filter already applies to all bond portfolios managed by the Investment department.

In 2018, Crédit Agricole Assurances won the Global Invest Sustainable Insurance Company of the Year award at Agefi's Global Invest Sustainable Awards on 11 October 2018, rewarding it for the quality of its non-financial approach (integration of ESG criteria in investment management processes, contribution to financing the energy transition, clarity and transparency of its ESG report, etc.).

Real estate investment

CAA Group continues to increase the proportion of real estate assets with environmental certification (such as HQE, BREEAM and LEED) in its office property portfolio. All new programmes now include environmental certification.

At the end of 2018, the number of "green" office buildings (that is with environmental certification) represented 46% of total office space in its portfolio (*i.e.* 619,503 sq.m. of a total of more than 1.3 million sq.m.).

Developing shareholder engagement

CAA is a committed shareholder and votes directly for its strategic investments. They are managed by the Investment department which sits on the Board of Directors of companies in which Crédit Agricole Assurances is a shareholder. In 2018, CAA encouraged companies in which it invests to communicate more about the ESG aspects of their business.

FINANCING A LOW CARBON ECONOMY

Withdrawing from the coal industry

Crédit Agricole Group has strengthened its coal industry policy to combat climate change. In 2017, it excluded companies generating more than 30% (versus 50% previously) of their revenue in coal extraction and companies producing more than 100 million tonnes of coal a year.

The list of excluded investors is based mainly on the list of the 120 most active companies drawn up by Unfriend Coal, and is regularly reviewed by Amundi.

In 2018, the maximum percentage of revenue criterion was reduced to 25% and portfolio exposures to the main issuers in the coal sector continue to be monitored. From 2019, Crédit Agricole Assurances intends to initiate a plan to dispose of the main identified exposures.

Investing in renewable energy

Furthermore, CAA's investment strategy is in line with Crédit Agricole Group's policy. CAA therefore also invests in renewable energy through energy infrastructures mainly located in France.

It was the leading institutional investor in the energy transition in 2018, committed to developing local economies through its major investments in infrastructure and renewable energy, in particular through its partnership with ENGIE. CAA signed its first partnership with ENGIE in onshore wind energy in 2013. This partnership continued in 2018.

In 2017, a second partnership was signed with Quadran, which has since been acquired by Direct Energie. At the end of 2018, this partnership covered 200MW of wind energy assets. The partnerships with ENGIE and Direct Energie now represent a total capital commitment of €1,400 million for CAA. The continuation of these partnerships should increase the production capacity to over 2GW by 2020.

The jointly owned wind and solar portfolio had reached 1.7GW by the end of 2018 compared with 1.3GW a year earlier, making it the largest portfolio in France, representing 7% of total installed capacity. This portfolio makes CAA the leading institutional investor in renewable energy in France.

CAA also owns an interest in a co-generation power plant. In 2016, it acquired a majority holding in an investment vehicle specialising in gas co-generation assets across France (almost 17% of facilities), operated by Dalkia, the European leader in energy services and decentralised energy generation.

In 2017, CAA invested in assets mainly comprising heating and cooling networks. This gave it a foothold in the district heating market (with a 7% share of the heating market in France). At the end of 2018, co-generation assets represented a total capital commitment of €250 million.

Thus, at the end of 2018, €721 million was invested in energy transition programmes (including wind and solar, co-generation, heating and cooling networks).

In parallel, CAA invested €217 million in bond funds that finance renewable energy production and €1.7 billion in green bonds.

Calculating the carbon footprint of investment portfolios

CAA takes a proactive approach to reducing the carbon footprint of its asset portfolios, relying on the two drivers described above.

The carbon footprint is an indicator that measures the greenhouse gas emissions generated by the operations of companies in which CAA invests. It uses two methods to calculate the indicator: an issuer approach for part of the portfolio and an overall approach for the portfolio as a whole.

Amundi's bottom-up approach focuses on calculating greenhouse gas emissions at the level of corporate and government issuers. The top-down approach developed by CA CIB (Crédit Agricole Corporate & Investment Bank) maps greenhouse gas emissions across the entire asset portfolio by business sector and geographical area.

The two methods are described in the ESG-Climate report.

The overall objective of reducing greenhouse gas emissions across the entire portfolio is based on an annual average reduction in line with national and international objectives (see ESG-Climate report).

ACTING AS A RESPONSIBLE COMPANY

OBSERVING ETHICAL BUSINESS CONDUCT

Fostering an ethical culture

In keeping with Crédit Agricole's values (Proximity, Responsibility, Solidarity), CAA has begun in-depth work on developing an ethical culture that goes beyond employee engagement, which is already strong. This is a long-term project and will comprise several stages.

A Crédit Agricole Ethical Charter, drawn up by CAA's parent company, was distributed to all employees in June 2017. It is always available on the entity's Intranet.

In 2018, a working group was set up with the aim of drawing up a CAA Code of Conduct, with contributions from the Insurance business lines, support functions and the three departments co-managing the project: Compliance, CSR and Human Resources.

This work led to the production of an operational Code of Conduct which was distributed to all CAA employees.

- It is intended for all business lines and comprises 28 themed guidance sheets setting out CAA's commitment, how its commitment is put into practice, what to do and what not to do, and practical examples specific to each theme. Four areas are addressed: customer and supplier relations; labour, environmental and social issues; *anti-corruption*; and protecting the Group's reputation.
- There is one single Code for all of CAA's employer entities and its subsidiaries, thus strengthening a shared ethics and compliance culture.
- To drive its commitment to ethics yet further, CAA has chosen to publish its Code internally and externally. It is distributed internally to all CAA entities (Intranet, news stream, presentation video, specific article in the weekly newsletter). It is available in French and English to make it accessible to all employees in France and elsewhere in the world. In addition, it is available on corporate websites for external visibility.

The Code has been presented to all the necessary bodies (Management Committees, Board of Directors, staff representative bodies, labour inspectorate) and came into effect on 31 December 2018.

CAA's commitment to ethics will continue in 2019 with a support plan for employees to accelerate the development of an ethical culture.

Deploying a responsible compliance approach

Compliance means adherence to legislative and regulatory provisions specific to the banking and finance sector, industry and ethical standards and practices, and the instructions issued by the executive body. Compliance contributes to stakeholder trust (customers, employees, investors, regulators, suppliers, etc.) in financial institutions by preventing the risk of judicial, administrative or disciplinary sanctions, major financial loss or reputational damage.

The Crédit Agricole Compliance department defines the policy implemented within Crédit Agricole Group to prevent non-compliance risks, such as money laundering, financing of terrorism, violation of embargoes, market abuse, conflicts of interest, inadequate protection of customer or employee personal data, or poor advice.

The Compliance function has drawn up a number of documents, including:

- the Ethical Charter adopted by Crédit Agricole Group, translated into ten languages and given to all new Crédit Agricole Group employees;
- the Code of Conduct, drawn up jointly with the Corporate Social Responsibility department;
- the Fides programme, comprising procedural memos setting out the regulations in terms of compliance.

Crédit Agricole's Compliance department must also make sure that efficient mechanisms are in place to ensure effective compliance. To do this, the Compliance function in the Group's entities:

- advises operatives by giving opinions on transactions where it is asked to do so;
- takes part in the product marketing process (from design to distribution) and in sales and customer needs analysis strategies to provide them with a suitable offering;
- issues compliance notices to the business lines;
- identifies conflicts of interest in line with the Group conflict of interest policy;
- draws up compliance training plans and makes sure that employees complete the requisite compliance training;
- ensures that systems and operations function smoothly.

The Compliance function uses the following resources for this purpose:

- risk mapping to evaluate non-compliance risks within each entity;
- translating compliance standards into procedures, in conjunction with the business lines;
- reporting on compliance risks and action to assess the implementation of compliance arrangements;
- financial security tools including profiling software and customer account monitoring tools which are used to detect unusual and/or suspicious transactions, screening tools used to ensure compliance with asset freezes and embargoes, and information sharing tools which are used within Crédit Agricole Group;
- compliance tools, mainly those used to manage employees who hold insider information, and tools to prevent and manage conflicts of interest;
- tools to ensure compliance with disclosures of notifiable interests in securities giving access to the capital or voting rights of issuers.

The Compliance function has 47 full-time equivalent (FTE) employees structured as a business line within CAA Group in order to ensure harmonised compliance and financial security practices.

A training and compliance plan (Fides) is in place at all CAA Group entities in France and abroad. Training in compliance, financial security and fraud and corruption prevention may be either in-person or online, as applicable. Targeted compliance training may also be required depending on business line exposure to certain risks (for example prevention of market abuse).

At the end of 2018, 87% of relevant Crédit Agricole Assurances Group employees had attended the "Fides" general compliance training.

Anti-money laundering and terrorism financing

Crédit Agricole Group places extreme importance on the prevention of money laundering and terrorism financing, as well as compliance with international sanctions (asset freezes and embargoes).

The Group's Compliance department is responsible for implementing, across the entire Crédit Agricole Group, measures to prevent money laundering and terrorism financing, and to ensure compliance with international sanctions.

The overall system is strengthened continuously in response to regulatory and risk assessment developments.

CAA Group implements anti-money laundering and terrorism financing training programmes within its various entities.

At the end of 2018, over 83% of relevant CAA Group employees had received training in anti-money laundering and terrorism financing training and 93% in compliance with international sanctions.

Training has also been provided in international sanctions. Annual training for all employees has been provided since 2015 to help them understand international sanctions and to become familiar with and know how to comply with the various applicable laws and regulations.

In October 2015, Crédit Agricole Group signed an agreement with the US on a framework of penalties imposed on the Group following events that took place between 2003 and 2008. A remediation plan was implemented in February 2016 and will continue until 2021.

Fraud prevention

A fraud prevention system is deployed in all Crédit Agricole Group entities. In a climate of escalating external fraud attempts and growing complexity of fraud methods (particularly *via* cybercrime), the key challenges now lie in a proactive approach on the part of financial system operators. In this respect, awareness is a key component of prevention as it encourages people to be more on their guard.

A training program specific to the Insurance business was devised in 2015 for the most exposed employees in order to raise their awareness about the risk of fraud and its prevention.

At end 2018, 75% of the identified employees had completed the fraud prevention training.

In addition to specific training, actions to raise employee awareness of the different types of existing and new external fraud to which they could fall victim are regularly organised.

In addition to the existing operational procedures and principles (selection procedures, segregation of tasks, authorisation management for management and payment tools, etc.), the anti-fraud arrangements at **Predica** – CAA's main life company – are based on a coordination unit whose role is to oversee this area and gain an overview of fraud attempts and proven cases of fraud. The fraud prevention system has been strengthened, in particular by revising the detection sheets for unusual cases and structuring and overseeing the network of fraud prevention stewards, which has helped to identify new fraud situations. This has prompted change to improve prevention, by adapting both procedures and product terms and conditions. In 2018, several CA Assurances Group companies continued to roll out fraud detection tools based on leading-edge technologies.

Anti-corruption

In line with its traditional values, Crédit Agricole Group believes that combating corruption is an important element of good business practice. Measures have been taken as regards money laundering and fraud prevention, the purchasing policy, the segregation of functions policy, prevention of conflicts of interests and internal rules governing gifts and incentives.

CAA Group also began work in 2018 on bringing its systems into line with the new requirements arising from the Sapin II anti-corruption law. Measures included appointing an anti-corruption steward, specific corruption risk mapping and the introduction of a Code of Conduct aiming to prevent inappropriate behaviour. A whistleblowing procedure is currently being implemented.

Anti-corruption training is included in the general compliance training module for Crédit Agricole Group employees (e-learning).

At the end of 2018, 87% of CAA Group employees had received anti-corruption training.

Reporting of dysfunctions

The entire compliance framework (organisation, procedures, training programmes) creates an environment favourable to the enhancement of the control framework within Crédit Agricole Group. Nonetheless, when preventive measures do not fully play their expected role and a dysfunction occurs, it must be:

- detected and then analysed as quickly as possible;
- reported to the operational managers and the Compliance functions at the most appropriate level within each business line;
- monitored and corrected, and its causes eliminated;
- reported to the Supervisory Authority in the case of the most important dysfunctions.

Centralised reporting of dysfunctions in accordance with a specific procedure adapted by each Crédit Agricole Group entity enables exposure to non-compliance risk to be measured at the highest level of the company. Thus, employees who have reasonable grounds to suspect, or who witness, a compliance dysfunction must notify their line manager, who will report it to the Compliance function.

The Compliance officers in each entity report dysfunctions to the Compliance department, which is responsible for informing Crédit Agricole S.A.'s Compliance Management Committee. This Committee reviews the report and approves proposals to remedy the dysfunctions.

This framework is completed by a whistleblowing facility enabling employees who witness an anomaly in the normal dysfunction reporting system or who feel under pressure to allow a dysfunction to occur, to notify the entity's Compliance officer of the situation without going through line management. The employee's identity remains anonymous throughout the whistleblowing procedure.

Conducting a responsible lobbying policy

ALIGNING TO BEST PRACTICES

CAA conducts its lobbying activities in accordance with best practices set out by Crédit Agricole S.A. and applied by its entities. In 2013, Crédit Agricole S.A. adopted a Lobbying Charter which applies to all of its entities. In 2014, it signed Transparency International France's joint statement, thereby committing to the transparency, fairness and integrity principles recommended by the association. Lastly, in accordance with the Sapin 2 law of 9 December 2016, CAA is registered on the digital register of interest representatives and complies with the guidelines issued by the France's High Authority for Transparency in Public life.

ORGANISING TRANSPARENCY

The Public Affairs unit is responsible for guiding CAA Group's lobbying activities. The unit has two full-time employees in Paris who are in continuous contact with Crédit Agricole S.A.'s Public Affairs department. They regularly present matters to the internal bodies, including CAA's Management Committee. This cross-functional body is thus made aware of future regulations and drives the CAA Group's lobbying activities.

ADDRESSING THE MAIN ISSUES

The Public Affairs unit conducts its activity at both French and European level. Most issues are addressed in close cooperation with the Fédération Française de l'Assurance. In 2018, action taken by the Public Affairs unit was aimed at the French public authorities in the context of the proposed radical reform of the insurance industry, and at the European institutions (European Commission, European Parliament and the Council of Europe) and the European Financial Reporting Advisory Group (EFRAG) on accounting issues.

The Public Affairs unit was able to highlight the important role played by insurers in financing the economy and to defend the bancassurance model in the service of its customers. Several actions were taken directly or through the industry associations on major issues such as the revision of Solvency II to ensure that insurance can better contribute to providing equity finance for the French economy; Europe's PRIIPs (Packaged Retail Investment and Insurance-based Products) regulation and Insurance Distribution Directive (IDD) to make consumer protection more effective; and, more recently, the Action Plan for Corporate Growth and Transformation (PACTE), by taking part in the French government's work to contribute to the success of this reform.

ASSESSING AND MANAGING ESG AND CLIMATE RISKS

Managing ESG and climate risks

As the head of a major business for Crédit Agricole Group, CAA has long taken part in the Group's Climate Finance initiatives as well as the long-term commitments made at the end of 2018 to step up action in this area, two years after the Paris Agreement came into effect:

- support all customers in the transition to a "low carbon" economy, aligned to the 2°C target in the Paris Agreement. This is illustrated, for example, by the growing proportion of new business generated through digital channels;
- embed environmental, social and governance (ESG) criteria deeply in proposed financing and investments to ensure consistency in their economic, social and environmental impacts;
- invest and promote financing of large-scale renewable energy projects.

This desire to step up the energy transition and support customers in this transformation is also reflected in action taken by CAA to assess and manage climate risks: transition risk and physical risk.

As regards transition risk, CAA's ESG-Climate strategy is based on concrete measures to reduce the carbon footprint of its investment portfolios and to improve its ability to monitor its footprint (see Acting as a responsible investor):

- strengthen the coal policy by excluding issuers that generate more than 25% of their revenues from coal extraction or that produce more than 100 million tonnes of coal a year;
- exclude the tobacco sector from new investments;
- invest massively in green bonds;
- forge partnerships with the industrial sector and other financial operators to continue investing in the energy and ecology transition, such as strengthening the partnership with Engie in order to grow their joint portfolio of wind energy assets;
- use several approaches to measuring the carbon footprint: a sector and geographical approach, an issuer based approach, and a sovereign state based approach.

Due to the nature of its business, Crédit Agricole Assurances is also exposed to physical risks related to weather conditions (storms, flooding, cyclones, hail and drought).

To manage these risks and contain exposure, a physical risk monitoring and management system is in place:

- identification and assessment of physical risks through quantification based on simulations of general weather event scenarios;
- implementation of a physical risk management system to limit the impact of extreme weather events by adjusting pricing and physical risk modelling;
- specific monitoring and oversight of exposure to weather events.

To support its customers and improve their satisfaction with regard to these risks, CAA continuously renews or adapts its products and services. Examples are hail insurance for targeted protection of crops against weather events (2005), crop insurance to protect crop yields and income against weather events (2005), pasture insurance which guarantees a capital sum to purchase the fodder required by livestock in the event of a severe weather effect on pasture land (2015), loss of income insurance introduced in 2018 which guarantees a minimum income per hectare.

ECOVADIS rating

Changes in non-financial reporting regulations are prompting companies to strengthen their CSR policies yet further. This new regulatory environment has led CAA to call on an external stakeholder to assess its CSR management system as part of a continuous progress approach.

Obtaining a rating is the first step in an improvement process whose ultimate objective is to strengthen customer confidence in the products and procedures in place, and in CAA's environmental commitments, purchasing policies and attention paid to internal operations. CAA has therefore called upon EcoVadis, which specialises in analysing CSR policies of companies across all business sectors.

Thanks to the hard work done by internal stakeholders, CAA has compiled a full set of information in a questionnaire supplied by EcoVadis, tailored to the bancassurance sector, to CAA's size and its location, mainly France but also abroad. This information has been assessed on a set of non-financial criteria and issues to establish CAA's EcoVadis rating and produce an assessment sheet identifying the Group's strengths and areas for improvement.

In 2018, CAA's CSR performance was rated "Confirmed", which represents a score of 3 on a scale of 5. In 2019, CAA will use the EcoVadis assessment sheet to draw up a plan to improve all of its assessed practices.

DEVELOPING EMPLOYEE SKILLS

Methodology

The scope covers entities with employees that are consolidated within CAA Group.

Unless stated otherwise:

- 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;
- the population studied is the number of "active" employees. The term "active" implies:
  - a legal relationship through a standard permanent or fixed-term employment contract (or equivalent abroad),
  - being on the payroll and in the job on the final day of the period,
  - working time percentage of 50% or more.

Each table presented below is accompanied by an indication of the proportion of employees covered (as a percentage of the total number of employees at the year-end).

As a responsible employer, Crédit Agricole Assurances Group took further action in 2018 to promote:

- development of employee skills and career prospects;
- fair treatment and diversity;
- quality of work life;

In response to the Grenelle 2 legislation, CAA specifies that the ILO conventions apply to Crédit Agricole Assurances employees.

CAA Group as an employer

The number of employees in France remained stable in 2018. CAA continued the reorganisation initiated in 2017 with the creation of Business Units specialising in the various customer need universes and shared support functions.

Several initiatives have been taken to support this radical change.

NUMBER OF EMPLOYEES PER TYPE OF CONTRACT

	31/12/2018			31/12/2017		
	France	International	Total	France	International	Total
Number of active employees on permanent contract	2,531	458	2,989	2,463	445	2,908
Number of employees on fixed-term contract	104	36	140	120	31	151
Total number of active employees	**2,635**	**494**	**3,129**	**2,583**	**476**	**3,059**
Number of non-active employees on permanent contract	39	11	50	42	7	49
TOTAL EMPLOYEES	**2,674**	**505**	**3,179**	**2,625**	**483**	**3,108**
Scope covered: France + International			100%			100%

Widespread dissemination of a change management culture and its implementation in the context of the transformation reflected in the Assurances 2020 business plan:

- creation of a dedicated change management team and improvement in the quality of work life in the HR department;
- deployment of the change management methodology in the departments most affected by the transformations;
- training/certification (Prosci) of a network of change managers in the business units and support functions;
- organisation of managerial seminars on change management applied to the transformation programme;
- awareness/acculturation session for employees.

A change management programme for managers:

- drawing up a training plan for new managers appointed as a result of organisational change;
- training managers in the multi-site dimension of their functions (when this is new);
- setting up "mirror groups" or HR/manager discussion groups.

An overall New Working Environment approach based on three pillars:

- working spaces;
- individual and collective tools and technologies and a paperless programme;
- human relations.

Aware of changing employee expectations about the quality aspect of the relationship with work and convinced of the need to explore new ways of promoting employee engagement and collective performance, Senior Management has asked the HR department to converge and step up all Quality of Work life approaches. As part of this project, working spaces have been completely redesigned to move up a gear in digital by providing employees with individual and collective tools adapted to the new working spaces and different ways of working and working together. The New Environment programme aims to improve working conditions for employees by developing a stimulating working environment that encourages engagement, cooperation and innovation and helps employees and the organisation to become more agile and flexible.

Improving the quality of work life

To round out the action already taken to improve the work life balance, *i.e.*:

- distance working: in 2018, more than 900 employees opted for distance working;
- arrangements for caregivers: in 2018, an exceptional campaign for donating days for caregivers was launched and collected more than 269 days in addition to the solidarity fund already in place.

Apart from the time aspect, the agreement provides for measures to work on the main factors that have a negative correlation with enforced non-disconnection (or connection). Examples of ways to improve individual and collective efficiency at work are:

- developing more effective practices in the use of email;
- organising one's timetable into work sequences;
- optimising time spent in meetings;
- organising one's absence and return to the company (activate the absence manager, etc.).

A continuous progress approach to quality of work life was launched at the end of 2018 based on a specific survey in addition to the Engagement and Recommendation Index survey, to which 80% of employees responded, and an audit of HR practices. The results will be used to build joint action plans between managers and employees in order to develop trust.

An agreement on the right to disconnect has already been signed, as it appears that:

- the right to disconnect is a freedom for employees rather than a duty. "Connected" working methods, particularly working from home meet employee expectations and particularly the expectations of the younger generations. Distance working tools (laptops, smartphones, etc.) are spreading rapidly throughout the company. Broadly speaking, employees perceive this change as favourable as it encourages new working methods and greater personal flexibility;
- however, it is important to make sure that there is a clear boundary between private and professional life. Distance working tools should promote this work life balance for users, based on strict rules in terms of working time, rest time, leisure time, etc. Everyone must also make sure that this freedom is not detrimental to the freedom of their colleagues at work.

Health and Prevention

The Group provides various health and wellness benefits in addition to the top-up health insurance plan covering all Crédit Agricole Assurances Solutions employees. With 75% of contributions paid by the company, this plan is more advantageous than the requirements set out in the collective bargaining agreement.

In 2018, a formal workplace health prevention system and policy were introduced. The purpose is to capitalise on initiatives taken in this area, by merging, co-ordinating and strengthening the resources in place. The aim is to make workplace health an HR policy in its own right in keeping with action taken and to pool workplace health activities in CAA Group to strengthen and improve effectiveness in supporting employees.

The project was presented to the various health, safety and working conditions Committees in October/November 2018. These presentations were also accompanied by a review of action taken in 2018: action to prevent musculo-skeletal disorders, with speeches by a physiotherapist at conferences, individual meetings and awareness and training campaigns in psycho-social risks.

Training in "lifesaving reflexes" was launched in the third quarter of 2018 and was attended by almost 900 employees, including Executive Committee members. As this training proved so popular, it will be offered again and extended to all premises in 2019.

Guaranteeing fairness and promoting diversity

In all its HR policies, practices and initiatives, CAA Group endeavours to ensure and promote fairness and diversity. In terms of recruitment, most CAA Group entities seek to attract diverse profiles including people with two to five years higher education, people on work-study contracts and interns as well as experienced employees. The determining factors are experience, skills and development potential.

NUMBER OF NEW HIRES ON PERMANENT CONTRACT

	2018	2017
France	210	239
International	70	63
TOTAL NUMBER OF NEW HIRES ON PERMANENT CONTRACT	**280**	**302**
Scope covered: France + International	100%	100%

Gender equality in the workplace

Aware that diversity, including gender diversity, is a factor in the company's performance, the main French subsidiaries have rolled out a range of policies and actions to ensure workplace equality in recruitment, training, career management, compensation, etc.

The gender balance remains stable, both in France and internationally.

REPRESENTATION OF WOMEN

	2018			2017		
	Number	Base	%	Number	Base	%
Among all employees	1,658	3,129	53%	1,604	3,059	52.4%
Among employees on permanent contract	264	435	60.7%	1,132	2,072 [1]	54.6%
Among the Group Executive Committee	-	13	0.0%	-	8	0%
Among the top 10% of highest-earning employees in each subsidiary [2]	97	289	33.6%	96	277	34.7%
Scope covered: France + International			100%			100%

(1) The scope covered by this indicator is 97.3% of the France + International scope in 2018 versus 94.3% in 2017 (and not 100%).

(2) This number includes all employees transferred internally following the creation of Crédit Agricole Assurances Solutions, the Group's single employer entity.

PROMOTIONS

	2018			2017
(number)	Men	Women	Total	Total
Among all employees	3	24	27	56
Among employees on permanent contract	5	12	17	18
Among the Group Executive Committee	100	75	175	137
TOTAL PROMOTIONS	**108**	**111**	**219**	**211**
Percentage	49.3%	50.7%	100.0%	
Scope covered: France + International			98.7%	98.4%

Moreover, company-level agreements were signed with the social partners of most of the Group's employer entities. These agreements contain a number of commitments in terms of gender balance and diversity, such as:

- guarantee that job applications will be treated equally;
- allocation of an annual budget to reduce pay gaps;
- measures facilitating the return to work after maternity or adoption leave (HR interviews, gradual resumption of work, option to work part time with no impact on career development and compensation);
- payment of basic salary during paternity leave.

In addition to these agreements, CAA Group is committed to encouraging gender diversity.

Five questions on gender diversity have been added to the Engagement and Recommendation Index survey to feed the Gender Diversity plan launched in 2015 with actions to better meet employee expectations.

In 2016, the CSR indicators included a target of increasing the percentage of women on its management bodies (senior managers and executive managers) by 10% by 2018. Gender diversity and equality indicators have been introduced and were monitored and shared with Executive Committee members in the first and second half of 2018.

Lastly, for all new executive and senior management hires, CAA endeavours to draw up a mixed short list of candidates.

Age equality

SENIORS

In France, each group subsidiary has implemented a proactive policy to support seniors, the main objective of which is to keep these employees in employment. The steps frequently taken in this respect by group entities in France include:

- specific training for employees aged over 55 on preparing for their retirement;
- managing the end of career and the transition between work and retirement and implementing a system to gradually reduce hours with the option of working part time;
- commitment to professional development for seniors in terms of training and compensation.

INTERNSHIPS AND WORK-STUDY CONTRACTS

A pre-recruitment policy through pools of interns and work-study scheme employees is also an important area of focus for CAA Group. Thus, the Group took on a further 44 interns and 116 people on work-study contracts this year.

The HR department also organised a work-study day to support young people on these contracts in their career plans, in writing their CVs and in preparing for recruitment interviews.

The tutors have received special training or support in most entities. They are also sent a monthly newsletter on the work-study scheme to help them provide the best support to the people concerned in their teams.

At the end of the scheme, tutors are asked to assess participants and the best are systematically interviewed by HR with a view to offering them permanent or temporary job opportunities within CAA Group wherever possible. The rate of conversion from work-study contracts to permanent and fixed-term contracts was almost 37% in 2018.

AVERAGE NUMBER OF INTERNSHIPS AND WORK-STUDY CONTRACTS IN 2018

	2018	2017
Internships	12.3	16.8
Work-study contracts	103.6	106.6
Scope covered: France	100%	100%

Compensation policy

To guarantee a fair policy in terms of individual variable compensation, whilst developing "collective performance", a performance management review was carried out with the objective of revising the variable compensation policy by spreading the practice of setting SMART targets and introducing a collective target accounting for 20%.

Managers and employees were given training and support when the new system was implemented.

In addition, special attention is paid to gender equality during each compensation campaign:

- based on external and internal benchmarks, HR identifies employees in a given function where there is a significant pay gap compared with market practices (pay index < 80%);
- a budget is allocated to narrowing the largest gaps.

Encouraging the personal development and skills of employees

Various HR mechanisms are available to employees in this respect.

Career management

The main objectives of career management are to:

- adapt the company's human resources to its current and future needs;
- develop employee skills;
- offer motivating career prospects;
- acknowledge and reward employee engagement;
- retain talented staff.

The parties involved in career management are:

- employees themselves, who are the main protagonists in their professional development;
- managers, who know their teams best and can develop the professionalism and skills of their team members;
- the Human Resources manager (HRM), who provides support, guidance and advice.

In addition to career management interviews that take place at least every three years, employees may ask for mobility interviews. The HRM provides guidance on how to devise a formal career plan, re-write one's CV, prepare for recruitment interviews and emphasise one's strengths.

To go further in the preparation phase, employees may also take part in career development workshops, where they work on various issues. Workshops specific to Insurance were launched at the end of 2018.

In addition, employees seeking an internal move are invited to take part in "Mobilijobs" (a Group scheme that CAA has joined), which provides opportunities for employees to talk to operational and HR staff in the various Group entities to discover internal job opportunities. Employees can also take part in pre-selection speed interviews.

In 2018, 1,033 individual career management interviews took place involving 822 employees.

Mobility

In line with the Crédit Agricole S.A. Group policy, CAA favours internal mobility to fill job vacancies.

Vacancies are therefore published on "My Jobs", Crédit Agricole Group's job mart, which has been open to everyone since the end of 2014. Employees can schedule alerts so that they never miss new vacancies.

In 2018, following the creation of a single employer entity and various reorganisations, there were 176 internal transfers within Crédit Agricole Assurances Group and 57 from Crédit Agricole Group.

INTERNAL TRANSFERS

(number)	2018	2017
Intragroup transfers (incoming)	97	77
Intragroup transfers (outgoing)	78	50
Intra-entity transfers (active permanent employees)	84	80
Scope covered: France + International	100%	100%

Training

Training is an essential tool for developing the skills of employees and managers to drive collective performance.

In 2018, CAA Group continued its policy of investing in professional training. Training expenses totalled almost €6.4 million in 2017, representing more than €1,900 per employee trained.

In addition to a broad array of training opportunities (business line, personal efficiency, etc.) and to develop skills, all employees have access to self-service e-learning modules to acquire or improve skills in fields such as languages, office systems and management. This offer is enriched by micro-learning modules on specific topics, available *via* smartphone.

In addition, two Academies have been created to support specific needs due to organisational change. The CAAPE Academy, an internal training scheme set up by the employees themselves for their colleagues with support from Human Resources, meets the need for cross-functional skills for employees working in Death & Disability Insurance and those working in Creditor Insurance.

The CAARE Academy provides a formal training course for back office staff in the Savings & Retirement Business Unit.

Almost 100% of employees on permanent contracts at the end of the year received training during the year. Each employee trained in 2018 received an average of almost 15 hours of training.

TRAINING

	2018 (12 months)		2017 (11 months)	
(number of hours and employees)	Number of employees trained	Number of training hours	Number of employees trained	Number of training hours
France	2,951	39,755	2,432	45,091
International	411	10,871	326	8,133
TOTAL	**3,362**	**50,626**	**2,758**	**53,223**
Scope covered: France + International		97.3%		94.0%

TRAINING THEME

	2018 (12 months)				2017 (11 months)	
(number of hours)	Total	%	France	International	Total	%
Knowledge of Crédit Agricole S.A. Group	1,383	3%	910	473	1,533	3%
Personnel and business management	2,124	4%	1,483	641	3,145	6%
Insurance	6,555	13%	5,523	1,032	12,521	24%
Banking, law and economics	1,313	3%	232	1,081	976	2%
Financial management (accountancy, management control, tax, etc.)	2,006	4%	1,836	170	2,204	4%
Risk	332	1%	0	332	167	0%
Compliance	3,405	7%	2,371	1,034	5,675	11%
Methods, organisation, quality	6,014	12%	4,924	1,090	3,376	6%
Purchasing, marketing, distribution	352	1%	352	0	676	1%
IT, networks, telecommunications	2,765	5%	2,741	24	4,081	8%
Office systems, business line software, new information and communication technologies	3,865	8%	3,346	519	2,900	5%
Foreign languages	3,053	6%	324	2,729	1,759	3%
Health and safety	**2,982**	**6%**	**2,749**	**233**	**1,015**	**2%**
Human rights and the environment (sustainable development)	182	0%	182	0	0	0%
Personal development, communication	12,458	25%	11,005	1,454	11,970	22%
Human resources	1,837	4%	1,777	60	1,228	2%
TOTAL	**50,626**	**100%**	**39,755**	**10,871**	**53,223**	**100%**
Scope covered: France + International				97.3%		94.0%

REDUCING THE DIRECT ENVIRONMENTAL FOOTPRINT

Crédit Agricole Assurances is a financial services company and its operations do not have any major direct impact on the environment. Its main direct greenhouse gas emission is carbon dioxide (*via* the consumption of fossil fuels and electricity). The most harmful waste comes from electronic items, for which collection and processing procedures are in place. Paper is the main raw material used.

CAA has therefore focused its efforts on reporting processes and the environmental management of paper and energy consumption and CO2 emissions. These efforts are directed at two objectives: improving the operation of the company and raising awareness among employees.

Use of resources

Paper

As a member of Ecofolio, CAA is committed to Crédit Agricole Group's "Grenelle papier" approach, which is based on two separate objectives: increasing the use of responsible paper and increasing the rate of paper recycling, for all paper use (office systems, desktop publishing, customer communications).

For this purpose, CAA has set up a network of paper stewards, comprising employees who buy paper and/or use paper for printing on the company's behalf. These stewards have been made aware of the environmental issues related to paper and Crédit Agricole S.A. Group's commitments. They are not only responsible for reporting, but also for:

- encouraging the purchase of certified (PEFC, FSC, etc.) or recycled paper;
- promoting paperless communication between employees, with the banking and partner networks, and with customers that opt for paperless communications;
- reducing the amount of paper used for business correspondence by grouping life insurance (**Predica**) correspondence with banking correspondence, double-sided printing for business correspondence (insurance certificates, death & disability renewal notices, etc.) and for annual statements, as well as using thinner paper. Employee payslips are also printed double-sided.

Predica has made a special effort in terms of envelopes for business correspondence. Envelopes are made from 100% recycled, FSC certified paper manufactured in France. The transparent window is made from transparent plant material (biodegradable bioplastic from agricultural plant waste), and the glue used is plant-based.

In the offices of the main French subsidiaries, printers are now shared and their default settings are double-sided and black and white. Launched in 2017, the system of employee badges to operate photocopiers was expanded when the company's photocopiers were upgraded. This reduces printing, as documents are only printed when strictly necessary.

These efforts have succeeded in reducing employee consumption of office paper from 37kg per employee per year in 2014 to 21kg per employee per year in 2018.

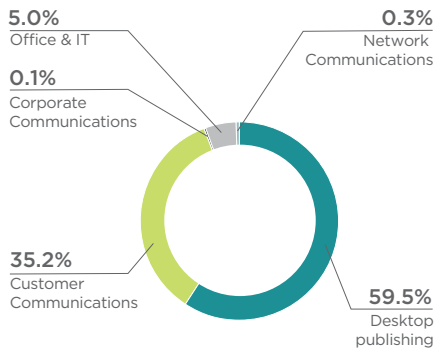
Moreover, the proportion of responsible paper, as defined by Crédit Agricole Group (PEFC, FSC or recycled paper) in purchasing rose from 90% at the end of 2013 to 98% at the end of 2017.

PAPER INDICATORS

	2018	2017
Total consumption (in tonnes)	1,113	1,098
Proportion of responsible paper	98%	97%

Scope: CAA France

BREAKDOWN OF CONSUMPTION BY USE (%)



Energy

Crédit Agricole Immobilier is responsible for managing CAA Group premises in Paris. It monitors and manages the energy consumption of the buildings and contributes to CAA Group's reporting.

For buildings in the greater Paris region, various measures have been taken to better control energy use based on in-depth knowledge of the sites (occupation techniques and types) and the outcome of energy audits. These actions include:

- optimisation of lighting timer settings (reduction of time slots), terminals (fan-coil units), air processors (ventilation), car park extractors, circulation pumps, etc.;
- installation of LED lighting in the car parks of some buildings;
- some equipment made responsive to the outside temperature (e.g. circulation pumps, different ventilation temperatures depending on the outside temperature, hot air curtain, etc.);
- changes to the temperature settings for hot and cold water;
- installation of innovative equipment to measure electrical signals to better understand how the buildings operate;
- at the Vaison-La-Romaine premises, the fuel-oil boiler has been replaced by a heat pump in normal operating conditions (other than in the event of extreme cold).

In 2018, a follow-up audit confirmed the HQE certification for buildings in use at the Saint Vincent de Paul premises in Paris, which was obtained in 2013. This site is used as a pilot site to test new operational and occupant communication practices. In addition, a plan to obtain HQE certification for our main premises was launched in 2016. The buildings at 8-10 and 16-18 boulevard de Vaugirard in Paris are currently in the process of certification under this plan.

2

ENERGY CONSUMPTION AND CO_2 EMISSIONS

	2018				2017			
	Consumption *(kWh)*	Ratio *(kWh/m²/year)*	Estimated coverage ratio	Tonnes eq. CO_2/year	Consumption *(kWh)*	Ratio *(kWh/m²/year)*	Estimated coverage ratio	Tonnes eq. CO_2/year
Electricity	7,620,535	121	100%	46	7,243,624	107	100%	43
Steam	2,331,325	52	100%	521	1,665,125	52	82.33%	372
Fuel	232,586	45	100%	74	233,430	45	100%	74

Scope: CAA France

The coverage ratio of surface areas that consume steam was increased to 100% in 2018 thanks to data collection efforts (not reported previously as included in service charges). This explains the increase in steam consumption.

Crédit Agricole and EDF have signed an agreement on renewable energy. Under the agreement, which is applicable to all Crédit Agricole's entities, the energy supplied by EDF to 8,159 Group sites must come exclusively from renewable energy produced in mainland France, mostly hydro power, through a system of certificates. Thus, for entities in France, the emission factor used is 0.006k_g CO2e/kwh.

Waste management

Compartmentalised bins have been installed in Paris offices so that paper can be separated from other waste.

Waste is collected, re-sorted and processed. At the Lille premises, an ESAT (a support through work organisation) is responsible for collecting and sorting paper.

Ink cartridges are collected exclusively by our machine supplier, which has its own sustainable development procedure.

Computers at the end of their useful lives are collected by a company from the adapted sector which recycles them in accordance with D3E electronic waste standards for defective or obsolete hardware. Working hardware is then repurposed or donated (mainly to employees). Other hazardous waste (fluorescent tubes, LEDs, etc.) is also collected and processed through regulated recycling channels.

A battery collection bin is made available to employees by Corepile. A D3E waste collection campaign has been organised by employees and donated to an ESAT for recycling.

At the Lille premises, employees are encouraged to dispose of their used paper cups, cans and plastic bottles in a recycling container that can recognise, sort and store waste. Each time an item is inserted in the machine an association receives a micro-donation.

Food waste comes principally from company restaurants, which are managed by our catering services providers.

WASTE INDICATORS

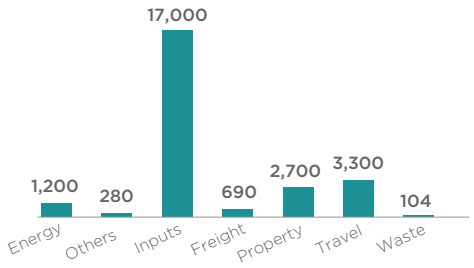
	2018	2017
Paper/cardboard	89 tonnes	145 tonnes
Ordinary industrial waste	243 tonnes	170 tonnes

Scope: CAA France, including the Lille and Vaison-La-Romaine premises since 2018 (which explains the sharp increase in ordinary industrial waste).

Greenhouse gas emissions

CAA's latest carbon assessment shows that its greenhouse gas emissions are equal to 11.8 tonnes equivalent CO_2 per employee per year (France financial consolidation scope).

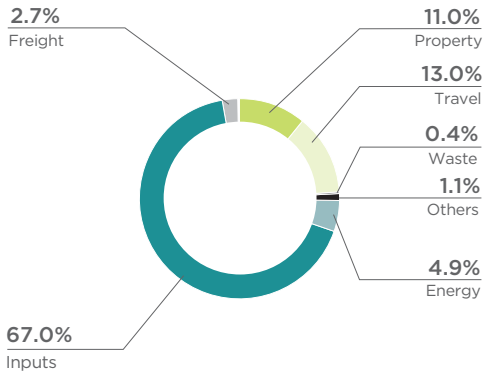
The following diagram shows the results by item:



Following the carbon report, several actions were taken:

- improvement of building energy performance (see section on energy);
- revision of the travel policy (see section on transport);
- raising employee awareness through a video on CAA's carbon assessment results and reduction targets, posted on the Intranets of all entities.

CAA 2014 CARBON ASSESSMENT BY ITEM (FRANCE SCOPE)



Thus, in 2018, as part of a three-year Group initiative under the FReD approach, Crédit Agricole Assurances achieved its objective of reducing its direct greenhouse gas emissions by 10% (scopes 1 and 2).

In 2018, CAA forged a partnership with Plantons pour l'Avenir, an endowment fund dedicated to replanting forests in France by providing the funds required for owners engaged in sustainable forestry to replant their land. This partnership aims to plant a number of trees in France equivalent to the total amount of CAA's CO_2 emissions. [1]

Travel policy

In order to limit its direct environmental footprint, Crédit Agricole Assurances has worked on the carbon impact related to employee travel, the second largest generator of CO2 emissions. It has therefore drawn up a travel policy to encourage the use of transport with the least impact and to encourage more virtuous practices:

- rail travel to be used wherever possible and systematically for some destinations;
- better management of air travel: only permitted for journeys of more than three hours, no first class travel, direct flights preferred;
- installation of videoconferencing equipment in all premises;
- use of distance working.

CAA has also drawn up two company travel plans for its Lille and Paris premises in response to the new regulatory requirements under the Energy Transition law. These plans were based on a survey conducted among employees to identify their expectations and needs in terms of transport. Following the survey, the following themes were identified for drawing up the plans:

- optimise use of cars;
- encourage the use of soft transport modes;
- work on optimising public transport;
- encourage new working methods.

Corresponding action plans will be deployed based on these four themes at the Paris and Lille premises. These actions plans are currently being drawn up in association with the employees.

(1) Based on a metric devised by the Institut Technologique Forêt Cellulose Bois-construction Ameublement (FCBA), i.e., 10,000 trees for 1,400 tonnes equivalent CO_2.

TRAVEL INDICATORS

	2018		
	Rail	Air	Total
Distances travelled in thousands of kilometres	7,100	4,501	11,601
CO_2 emissions in tonnes eq. CO_2	320	943	1,263

Scope: CAA France

Raising employee awareness

As part of the awareness-raising policy, a CSR page is accessible to most CAA entities on the Intranet. It provides information about general CSR issues and about CAA's approach. A set of computer graphics has been published on the Intranet showing the key non-financial performance monitoring indicators to give employees tangible information about CAA Group's CSR issues and commitments.

At the European Sustainable Development Week held in June 2018, employees at the Paris Vaugirard premises were made aware of the issue of food waste, in association with Sodexo, the company's catering partner. Communication actions were taken *via* various channels (company restaurant mobile app, posters, distribution of flyers) to inform employees about the environmental and social impact of food waste.

During the sustainable mobility week, employees in Paris were able to vote for a solution to encourage more environmentally-friendly methods of transport (ride sharing, incentives to use soft modes, etc.). The employees voted for a programme to measure, reduce and compensate CO2 emissions generated by motorised vehicles, which will be introduced on an experimental basis in 2019. This wide-scale consultation helped to raise employee awareness about the challenges of sustainable transport and the impact of their travel choices.

In 2018, an in-depth awareness drive was aimed at employees working in the car insurance value chain. From design to marketing of a product, each macro-link in the chain was analysed to determine whether or not ESG considerations identified during the work on the materiality matrix had been taken into account. The work was done during three three-hour workshops and helped to make employees aware of the need to embed CSR in their scope of responsibility.

Company restaurant

CAA works with its service provider Sodexo on improving practices at its Paris Vaugirard company restaurant.

In terms of the supply chain for meat products, Sodexho mainly purchases labelled products that include animal welfare in their specifications, such as the Bleu-Blanc-Cœur and Label Rouge labels. Similarly, for fish products, Sodexho mainly purchases Pavillon France label fresh products from French fisheries that guarantee more environmentally friendly fishing practices (selective fishing methods, respect for seasonality of products, etc.).

Since 2017, Nespresso coffee capsules have been sorted for recycling, and a collection system for employees has also been put in place.

Selective sorting was introduced in the restaurant in January 2018 for separate collection of cardboard and cans, glass bottles and bio-waste. Bio-waste is taken to an anaerobic digester. Measures have also been taken to limit food waste.

DEPLOYING A RESPONSIBLE PURCHASING POLICY

CAA, a subsidiary of Crédit Agricole S.A., applies and observes Crédit Agricole S.A. Group guidelines on the purchasing process and responsible purchasing. The CAA Group purchasing charter, which is set out in an internal procedure memo, forms part of these guidelines. It includes a detailed description of the basics of the CSR approach in terms of purchasing.

Being responsible throughout the supply chain

CAA's responsible purchasing policy is based on the following:

- encouraging responsible supplier relations;
- assessing its suppliers on the basis of their CSR management system and the products proposed to CAA Group;
- raising awareness among buyers and suppliers.

Committing to suppliers

Crédit Agricole S.A. is a signatory of the Responsible Supplier Relations Charter, which aims to create a balanced relationship with its suppliers in an unstable economic environment.

This charter comprises ten commitments for responsible purchasing and a fair and lasting relationship between large buyers, SMEs and suppliers more generally, notably with regard to environmental impacts, financial fairness and reducing the risks of reciprocal dependence.

CAA therefore appends the Responsible Purchasing Charter to all its tender documents and contracts. The Charter is a joint initiative between French banks and insurance companies that wish to encourage their suppliers to implement duty of care measures as part of their corporate social responsibility (CSR) approach. It sets out:

- the commitments made by the signatories to their suppliers in terms of fairness, ethics and transparency, reciprocal dependence, respect for payment periods, confidentiality and intellectual property rights, small and mid-size suppliers, and recourse to mediation;
- the commitments made by suppliers in terms of the environment, human rights and labour, business ethics, sub-contracting, progress approach, and monitoring compliance with the Charter;
- the reference texts: the 10 principles of the Global Compact, the 30 articles of the Universal Declaration of Human Right and the fundamental Conventions of the International Labour Organisation (ILO).

Assessing its suppliers

The vast majority of CAA's suppliers are listed on Crédit Agricole Group's panels. These suppliers, selected at Crédit Agricole Group level, are assessed on their CSR policies not only in terms of their CSR management system, but also in terms of their products themselves.

Independent specialist firm EcoVadis has been appointed to assess the supplier's CSR management system. This approach, common to all Crédit Agricole S.A. Group entities, is led by Crédit Agricole S.A. The scoring principle involves sending suppliers a questionnaire based on four themes: the environment, labour, ethics and supply chain management. Over 900 suppliers common to Crédit Agricole S.A. Group entities have now been rated and additional suppliers are in the process of being rated.

Meanwhile, where appropriate for the purchasing category, CAA assesses the CSR quality of the supplier's product or service by including technical and specific sustainable development criteria in the specifications. The supplier must show that its procedures comply with specific principles throughout the entire product life cycle and provide documentary evidence of this.

The CSR criterion accounts for 10% of a supplier's rating in a call for tenders.

Raising awareness among buyers and suppliers

CAA buyers are made aware of responsible purchasing at meetings led by Crédit Agricole S.A.'s Purchasing department. They are also involved in the Trophées Horizon, the sustainable development awards organised by Crédit Agricole S.A., which reward the most committed suppliers in terms of corporate social responsibility.

Everyone involved in the purchasing function receives training in responsible purchasing provided by Crédit Agricole S.A. Group.

In 2015, the Executive Committee approved a specific sourcing policy for companies in the protected sector, which means that companies in this sector must be given priority in four categories of purchases.

In 2018, the purchasing policy was assessed on the basis of EcoVadis rating criteria. In 2019, the policy will be improved in line with the results of this assessment.

DEVELOPING AN OUTREACH CULTURE

Set up a system to encourage employee outreach engagement

With respect to employees

Since 2011, Crédit Agricole Assurances Group has been financing community projects in which employees of the Crédit Agricole Assurances entities have been actively involved, through its "Courte Echelle" programme. At the end of 2018, 70 projects came to fruition thanks to a grant of up to €3,000. These community projects involve international outreach, environmental protection and social inclusion.

In 2018, the Coup de Cœur scheme was renewed, enabling employees to vote for the Courte Echelle project of their choice, which receives an additional €3,000 grant. In early 2019, the Courte Echelle 2018 winning associations attended a training day on how to develop resources and communications for their project.

CAA Group also organises periodic charity events among employees, and more specifically in 2018:

- an awareness raising workshop on how to help the homeless, in conjunction with the association *Entourage*;
- collections on behalf of associations:
  - *Chaussettes orphelines*: 15 kilos of socks collected and sorted by inclusion workshops before being recycled;
  - *Bibliothèques sans frontières*: 70 kilos of books collected for the benefit of the most vulnerable populations in France and worldwide;
  - *La Cravate Solidaire*: 110 kilos of work clothing collected to help support disadvantaged young people to find a job;
  - *Rejoué*: more than 600 toys collected for resorting by an inclusion project before being processed and sold at low cost.

The following events are also organised on a regular basis:

- companies in the protected and adapted sector are invited to the Paris premises to promote their know-how (food production, miscellaneous gifts, etc.);
- an eyeglasses collection on behalf of Médico Lions Club de France;

Furthermore, multi-year agreements with bee-keepers have been entered into to establish beehives at the Paris and Vaison-La-Romaine premises. The honey produced by these bees will be sold to employees by the bee-keepers themselves.

To create the framework for a more ambitious outreach programme and following a survey conducted in 2017 among its French-based employees to gauge their appetite for corporate outreach initiatives, CAA began work in 2018 to propose an innovative, scalable outreach programme for employees. The programme has been validated by CAA's Executive Committee.

Scheduled to begin in 2019, the programme aims to facilitate employee engagement in community initiatives and to develop an outreach culture within the company. It will list all proposals on a single extranet site (skills volunteering, donations and collections, mentoring, outreach events, intergenerational cohabitation, etc.).

With respect to suppliers

In 2018, CAA continued its partnership with the association #STOPILLETTRISME to help address the problem of reading and writing difficulties in the workplace.

It is an innovative scheme combining a training cycle with mentoring provided by some thirty employees for about ten volunteer employees of GSF, the cleaning company responsible for cleaning CAA Group's premises. The mentoring is provided during the employees'working hours as part of a skills volunteering initiative.

The programme began in 2017 and 2018 was the occasion to stimulate the CAA community of mentors and organise an end-of-year outing jointly with Crédit Agricole S.A.'s mentors and learners.

Being a committed patron in favour of caregivers

For several years, CAA Group has been engaged in a policy to sponsor family caregivers by financing community projects throughout France. Caregivers play a key role in intergenerational solidarity and home care for dependent people.

In 2018, the eighth call for projects to help caregivers was based on three emerging or developing themes in support for caregivers:

- young caregivers under 25 years of age, a population about which little is as yet known;
- caregivers and employment: caregivers are often forced to cut down or stop their professional activities to devote their time to a family member needing care;
- raising awareness among healthcare professionals, who are still not well enough informed about the increased health problems that can be suffered by caregivers.

The aim of the call for projects is to finance some 10 community projects every year with an annual budget of €150,000.

Projects are selected by a Committee made up of people from civil society (sociologists, geriatricians, French Association of Caregivers, the CNSA, etc.) and members of Crédit Agricole Group.

Since 2010, CAA has received over 1,200 applications, mainly from the Regional Banks that promote the initiative. At the end of 2018, 150 local projects to help family caregivers had been financed and more than €2 million distributed.

In 2018, for the first time, the associations short-listed and selected for the call for projects were given two days of training free of charge on how to develop resources and communications for their project, with support from an outside firm.

An initiative to measure the social impact of the call for projects since the outset was also introduced in 2018 among financed and non-financed associations and the Regional Banks. The conclusions will be published in 2019.

3

CORPORATE GOVERNANCE

REPORT ON THE CORPORATE GOVERNANCE

The purpose of this Board of Directors' Report, relative to Corporate Governance, included in the management report and presented in accordance with Article L 225-37 of the French Commercial Code, is to report to shareholders on the Board's activities in 2018, its composition, the conditions under which the Board's work is prepared and organized, and Crédit Agricole Assurances' situation with regard to various regulatory information provided for in article 225–37-4, including:

- a list of all the mandates and functions exercised in any company by each corporate officer during the financial year;
- agreements entered into, either directly or through an intermediary, between, on the one hand, one of the corporate officers or one of the shareholders with a fraction of the voting rights greater than 10% of a company and, on the other hand, another company that the former owns directly or indirectly for more than half of the capital, with the exception of agreements relating to ordinary transactions and concluded on normal terms;
- a summary table showing the current authorisations granted by the General Meeting of Shareholders in the field of capital increases, and the use made of these authorisations during the financial year;
- any limitations that the Board of Directors may place on the powers of the Chief Executive Officer;
- the governance rules adopted by Crédit Agricole Assurances in addition to those required by law;
- the terms and conditions for the participation of shareholders in the Annual General Meeting, as set out in the articles of association (Article 18) presented in Part 8 of the registration document (available at www.ca-assurances.com/en/Investors) and which may be consulted at Crédit Agricole Assurances's registered office.

In accordance with Article L 225-37-2 of the French Commercial Code, this Corporate Governance Report also includes the draft resolutions relating to the principles and criteria for determining, allocating and assigning fixed, variable and exceptional components of the total compensation and benefits of any kind attributable to the Chairman and Chief Executive Officer. The Report details the compensation elements mentioned above.

PREPARATION AND ORGANIZATION OF THE BOARD'S WORK

The preparation and organisation of the work of the Board of Directors is governed by current legislation and regulations, by the company's articles of association, the Rules of Procedure of the Board of Directors and internal directives.

On 31 July 2015, the Board of Directors of Crédit Agricole Assurances decided not to adopt a Corporate Governance Code. Crédit Agricole Assurances is wholly owned by Crédit Agricole S.A., a company listed on the CAC 40. Accordingly, certain recommendations of the AFEP-MEDEF Code or MIDDLENEXT Code are not appropriate to this situation and are therefore not followed by Crédit Agricole Assurances, which nevertheless complies with the general principles of good governance.

The rules applied in addition to legal requirements are described in an overview table at the end of the section "Preparation and organisation of the Board's work".

Governance structure and presentation of the Board

Governance structure

Crédit Agricole Assurances, a French public limited company (*société anonyme*), is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law.

In accordance with the Act of 15 May 2001 on the new economic regulations and general rules of governance applicable within the Crédit Agricole Group which distinguish between guidance, decision-making and control functions on the one hand, and executive functions on the other, the offices of Chairman and Chief Executive Officer of Crédit Agricole Assurances have been separated.

In accordance with the law and the articles of association the Chairman of the Board of Directors organises and directs the work of the Board and reports to the General Meeting of Shareholders on its activities. He/she will see to it that the company's bodies run smoothly and, in particular, ensures that directors are in a position to fulfil their duties.

As indicated in Article 2, part B) of the Rules of Procedure, reproduced hereafter, the Chairman of the Board of Directors ensures that, prior to each meeting, the directors receive the information that is necessary and sufficient to deliberate with full knowledge of the issues. Directors may request documents or information on the company from the executive management after notifying the Chairman.

Following consultation with the Chief Executive Officer, the Chairman of the Board of Directors assesses the work carried out during the year and still to be carried out, in particular, when the Board's schedule and meeting agendas are being set.

Operation and composition of the Board

At 31 December 2018, the Board was composed of eight members, of which three women directors, which is 37.5% of the members.

Since it is wholly owned by Crédit Agricole S.A., the Board of Directors of Crédit Agricole Assurances is 50% composed of Regional Bank executives (the main distribution outlet for the Group's insurance products) and 50% Crédit Agricole S.A. Management.

Since neither the law nor the articles of association require directors to hold a minimum number of shares, the directors of Crédit Agricole Assurances are not company shareholders.

There is no director representing employee shareholders or more generally employees, as Crédit Agricole Assurances no longer has any employees since 1 April 2017.

Before that date, no employee had ever held any Crédit Agricole Assurances shares and no director representing employees had been appointed as the parent company, Crédit Agricole S. A., is subject to this obligation.

The average age of directors of Crédit Agricole Assurances is 57. The company's articles of association set an age limit of 65; any director who exceeds this limit will be automatically deemed to have resigned at the end of the next Ordinary General Meeting.

The term of office of Crédit Agricole Assurances directors is set at three years by the company's articles of association. This term is renewable although directors cannot serve for more than four consecutive terms of office.

The procedures for disclosing and managing conflicts of interests of Board members are given in the directors'Code of Conduct (points 1 and 3 of the directors'commitments), reproduced below.

To the knowledge of the company and on the date this document was drawn up, no conflict of interests is identified between the duties of a corporate officer of the company and his private interests or other duties. To the knowledge of the company and on the date this document was drawn up, there is no arrangement or agreement concluded with the main shareholders, customers or suppliers whereby one of the members of the Board of Directors or of the executive Management has been selected for that reason.

There are no service contracts between the members of the administrative or management bodies and Crédit Agricole Assurances S.A. or any of its subsidiaries that grant benefits to such members.

Non-voting Board members are appointed for a three-year term by the Board of Directors on a proposal from the Chairman. They cannot serve for more than four terms. They may be dismissed by the Board at any time.

At 31 December 2018, the Board of Directors of Crédit Agricole Assurances had eight members and one non-voting member:

	Born in	Nationality	Role on the Board	Offices held	Date of appointment
Nicolas DENIS	1967	French	Director	Chief Executive Officer of CRCAM Normandie-Seine	27/07/2017
Élisabeth EYCHENNE	1958	French	Director Chairwoman of the Board of Directors	Chief Executive Officer of CRCAM de Franche-Comté	14/06/2016 27/07/2017
Nicole GOURMELON	1963	French	Director	Chief Executive Officer of CRCAM de Normandie[1]	27/07/2016
Jérôme GRIVET	1962	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	29/10/2015
Isabelle JOB-BAZILLE	1968	French	Director	Chief Economist at Crédit Agricole S.A.	14/06/2016
Jean-Marie MALHERBE	1963	French	Non-voting member	Deputy Chief Executive Officer of FNCA	09/02/2017
Xavier MUSCA	1960	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	07/11/2012
Bernard PACORY	1953	French	Director	Chairman of CRCAM Nord de France	17/06/2014
Yves PERRIER	1954	French	Director	Deputy Chief Executive Officer of Crédit Agricole S.A.	29/10/2015

(1) Nicole Gourmelon has been Chief Executive Officer of CRCAM Atlantique Vendée since 1 January 2019.

Directorships and other offices held by each of the directors within the Group or in other listed or unlisted companies in France or abroad are disclosed in the Corporate Governance Report and in section 3 of the Crédit Agricole Assurances Registration Document.

During 2018, the composition of the Board of Directors underwent a number of changes:

- General Meeting of Shareholders of 3 May 2018:
  - ratification of the co-optation of Nicolas Denis as director for a term of three years, decided by the Board at its meeting of 27 July 2017;
  - re-appointment of Nicole Gourmelon as director for a term of three years.

All directorships and other offices held by members of the Board of Directors are disclosed below, with additional information.

All members of the Board of Directors adhere unreservedly to the directors'Charter (reproduced below). The main commitments made in the Charter are to make decisions at all times in the interest of the company, comply with their duty of discretion and confidentiality, ensure that their participation in Board meetings does not cause a conflict of interest either personally or professionally, abstain from voting on any resolution which would have the effect of authorising an transaction of any kind in which they have a direct or indirect interest, ensure that all matters that are important for the company are discussed by the Board, participate actively in a critical and constructive way in the Board's work, and keep abreast of all matters concerning the company.

Director trainings

In accordance with the wishes expressed by the directors at the end of 2017, three training courses were given during 2018 on the following subjects:

- ORSA (Own Risk and Solvency Assessment) 2017 approach and outcome;
- Actuarial science and technical risks;
- Solvency II – Insurance regulations.

Assessment of the Board's practices and procedures

At the end of 2017, the directors suggested several ways in which the Board could improve its practices and procedures, for example holding an additional meeting during the year and improving the technical videoconferencing facilities for Board meetings.

Six meetings, instead of the usual five, were held in 2018. Five of those meetings were preceded by an Audit and Accounts Committee meeting. A seminar on the CAA Group's strategy (medium-term 2020-2022 plan) was organised on 14 November 2018. Furthermore, work was carried out in the Board room to improve meeting facilities.

At the end of 2018, a new self-assessment questionnaire on the Board's practices and procedures was sent to all the directors to determine new areas for improvement at the first Board meeting in 2019.

Role and work of the Board

Board meetings are called by the Chairman as often as required in the company's interests and at least four times a year.

Directors receive a fee for their attendance at Board meetings. Each year, the overall budget for directors' fees is set by the General Meeting of Shareholders and its allocation is decided by the Board of Directors. If a director's repeated absence disrupts the smooth functioning of the Board, the Chairman may ask that director to stand down (see Rules of Procedure below).

The Board of Directors exercises the powers invested in it by law and the company's articles of association. In particular:

- it determines the company's strategy and general policies;
- it approves, where appropriate, at the proposal of the Chief Executive Officer, the resources, structures and plans required to implement the strategy and general policies it has determined;
- it rules on all matters concerning the running of the company referred to it by the Chairman and the Chief Executive Officer;
- it takes decisions on all transactions falling within its exclusive remit;
- it performs any controls or inspections that it deems necessary.

The non-voting Board member takes part in Board meetings in an advisory capacity. He is consulted on any item tabled on the Board's agenda. Thus, apart from his duty to ensure compliance with the articles of association, he may, after review, give his opinion during the meeting on an agenda item, in particular regarding strategy, business, growth, operational matters, results, risk governance and the company's financial statements.

On 21 July 2009, the Board of Directors of Crédit Agricole Assurances adopted Rules of Procedure which set out the operating procedures for the company's Board and Senior Management, while taking into account the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer. A directors'Code of Conduct has now been added to the Rules of Procedure. The main provisions of the Rules of Procedure are presented in this report.

The Rules of Procedure set out the way in which the Board's work is organised in Board meetings and in meetings held by its specific Committees (Audit and Accounts Committee, IT Strategy and Customer Processes Committee).

The directors' Code of Conduct appended to the Rules of Procedure constitutes a formal reminder of the provisions of the laws, regulations and articles of association governing the prerogatives and responsibilities associated with a directorship (regular attendance, duty of discretion, protection of the company's interests, prevention of conflicts of interest, right to receive information, etc.). It explicitly refers to a director's right to consult the Crédit Agricole S.A. Group Ethics Officer if necessary.

Since their adoption, the Board of Directors has amended the Rules of Procedure (reproduced below) on several occasions.

WORK OF THE BOARD OF DIRECTORS DURING 2018

The Board of Directors met six times in 2018, on 8 February, 3 May, 20 and 26 July, 31 October and 13 December 2018. The average attendance rate over the year was 66.7%.

The main items on the agenda were as follows:

- business: at each of its meetings, the Board reviewed quarterly trends in Crédit Agricole Assurances Group's business in France and International and compared them with the budget. It also analysed the impact of major events on each subsidiary's business;

- disposal and acquisitions of entities: as Crédit Agricole Assurances is an insurance holding company whose main purpose is to "acquire shareholdings in insurance and reinsurance companies", the Board was required to vote on proposals to sell or acquire companies, mainly outside France;
- capital management, funding plan: transactions carried out during 2018 reviewed by the Board were a €1 billion bond issue made by Crédit Agricole Assurances in January 2018, capital increases made by several subsidiaries (some by way of a stock dividend payment) and subordinated bond issues and redemptions involving Crédit Agricole Assurances;
- strategy, organisation: the Board discussed the strategic guidelines in the 2019-2022 medium-term plan at a seminar held on 14 November 2018;
- market research: the Board was given a presentation of an insurance company positioned predominantly in the property & casualty business;
- budget: at its first meeting in 2018, the Board approved the 2018 budget for Crédit Agricole Assurances S.A. and for the Crédit Agricole Assurances Group as a whole. On 13 December, the Board discussed the initial 2019 budget guidelines.
- review of the financial statements:
  - at the end of each quarter, after review by the Audit and Accounts Committee, the Board validated the contribution of the Insurance business line to Crédit Agricole S.A. Group's results,
  - the individual and consolidated financial statements for 2017 were approved by the Board of Directors on 8 February 2018,
  - on 26 July 2018, the Board approved the consolidated financial statements at 30 June 2018;
- Annual Reports:
  - the management and corporate governance report for 2017 was signed off by the Board on 8 February 2018,
  - the Solvency and Financial Conditions Report (SFCR) and Regular Supervisory Report (RSR) were approved by the Board on 3 May 2018,
  - the Own Risk and Solvency Assessment (ORSA) was approved by the Board on 13 December 2018,
  - the Annual Reports of the Key Function Holders were also presented and signed off (see section below on Key Function Holders);
- Supervision, control, solvency – Risk monitoring:

  As the head of an insurance group, Crédit Agricole Assurances is subject to Solvency II regulations. In this respect, the Board's role and duties in terms of risk control and Group solvency have been strengthened. Thus, each year the Board validates Crédit Agricole Assurances Group's Solvency II governance policies, as well as the Solvency and Financial Conditions Report (SFCR) and Regular Supervisory Report (RSR). At the end of each quarter, the Group's solvency ratios are presented to the Board. A quarterly report on the risk appetite matrix is also presented to the Board.

  During 2018, the Board approved:
  - renewal of policies with no change: Investment, Asset & Liability Management, Operational Risk Management, Internal Audit, Capital Management, Fit & Proper and Compensation policies;
  - changes to policies: ORSA, Underwriting, Reinsurance, Risk Governance and Sub-Contracting policies;
  - new policies: Group Liquidity Risk Management, Reporting to the General Public and the Regulatory Authorities, Data Quality and Prudential Provisioning policies.

  The Board reviewed and signed off Crédit Agricole Assurances Group's ORSA scenario typology on 3 May 2018, approved its ORSA scenario severity on 26 July. It reviewed the initial prospective ORSA results on 31 October.

  At its meeting on 13 December 2018, the Board approved Crédit Agricole Assurances Group's ORSA Report, the risk appetite statement, the 2019 risk strategy and the financial policy, including investment guidelines for 2019.

  The Board of Directors, through its Audit and Accounts Committee, also monitored the ACPR's inspection of the Internal Audit function.
- reporting of key function holders:
  - the key function holders are the heads of Internal Audit, Compliance, Risk Management and the Actuarial Function. They report to the Board as often as necessary and at least once a year on their activity and on the plan for the coming year,
  - on 3 May 2018, the Board approved the Actuarial function's Annual Report and, on the 13 December 2018, it approved the 2019 risk appetite statement, the 2019 risk strategy presented by the Risk Management function, the Compliance function's 2018 report and 2019 action plan, and the Internal Audit function's 2018 audit execution plan and 2019 audit plan,
  - the Chairman of the Audit and Accounts Committee also reports regularly to the Board on the work of the key function holders;
- financial policies – Investments: the Board reviews the asset and liability framework. Investments are monitored quarterly either directly by the Board or *via* the work of the Audit and Accounts Committee. At the end of the year, the Board reviews a report on operations and sets the guidelines for the year. On 3 May 2018, the Board signed off the company's ecology and energy transition report;
- Crédit Agricole Assurances Group compensation policy:
  - on 26 July, the Board approved the annual work done by Crédit Agricole S.A.'s Compensation Committee (a delegated Committee) as regards the Crédit Agricole Assurances Group, on the application of the compensation policy in 2017, the overall budget for variable compensation, the identification and registration of "Identified Staff" and monitoring of compensation policy implementation,
  - on 13 December, based on the report of Crédit Agricole S.A.'s Compensation Committee, the Board approved the compensation policy applicable to the Crédit Agricole Assurances Group;

- governance (composition of the Board, practices and procedures, expertise):
  - there were no changes to the composition of the Board in 2018,
  - the Board's Rules of Procedures were amended several times during 2018: on 3 May to include the expanded remit of the Audit and Accounts Committee following the 2016 audit reform, and again on 13 December to clarify the powers of the Chief Executive Officer as regards own account investing,
  - allocation of directors' fees,
  - on 13 December 2018, the Board validated the update to the questionnaire used each year to assess the Board's collective expertise.

Related-party agreements

Related-party agreements entered into by Crédit Agricole Assurances and one of its executives, shareholders or companies that share a common director with Crédit Agricole Assurances, are subject to special oversight due to potential conflicts of interest.

Since the creation of Crédit Agricole Assurances, no agreement falling within the scope of Article L. 225-38 of the French Commercial Code has required prior authorisation by the Board, including in 2018.

Agreements between an executive officer, significant shareholder and a subsidiary

No agreements that falls within the scope of Article L. 225-37-4, point 2, of the French Commercial Code were signed in 2018.

Presentation of the Committees

The Board of Directors created the Audit and Accounts Committee on 21 July 2009.

Audit and Accounts Committee

The Audit and Accounts Committee must have at least two members, meet at least twice a year on the initiative of its Chairman or at the request of the Chairman of the Board of Directors or the Chief Executive Officer, and report to the Board of Directors on its work.

On 31 December 2018, members of the Audit and Accounts Committee were:

- Nicolas DENIS, Chairman of the Committee, director;
- Isabelle JOB-BAZILLE, director.

Both members have accounting and financial skills.

The non-voting member of the Board of Directors, representatives from the Finance department, the Secretary General's office, the Investment department, the statutory auditors as well as the four key function holders (Audit, Risk Management, Compliance, Actuarial Function) referred to in Article L. 356-18 of the French Insurance Code are invited to take part in Committee meetings.

The practices, procedures and duties of the Audit and Accounts Committee are set out in Rules of Procedure approved by the Board of Directors.

The main duties of the Audit and Accounts Committee are:

- to oversee the preparation of financial information and, if necessary, make recommendations to ensure its integrity;
- to monitor the effectiveness of internal control, risk management and, where appropriate, internal audit systems, as regards the preparation and processing of accounting and financial information, and in particular;
  - to ensure the appropriate accounting treatment of Crédit Agricole Assurances Group's significant transactions and major risks, as well as overall consistency and compliance with Crédit Agricole S.A.'s internal control rules;
  - to make sure that internal procedures are in place for collecting and auditing data, thus ensuring their reliability;
  - to review the Crédit Agricole Assurances Group's internal audit plan;
- to familiarise itself with the Crédit Agricole Assurances Group's internal audit programmes;
- to make sure that the accounting methods used to prepare the consolidated and parent company financial statements are appropriate and applied consistently from year to year;
- to monitor the statutory auditors' audit of the parent company and consolidated financial statements;
- to review the statutory auditors' audit plan;
- to make sure that the statutory auditors comply with the independence conditions required by law and, if applicable, take the necessary measures;
- to make recommendations to the Board on the reappointment or appointment of the statutory auditors (the recommendation made to the General Meeting of Shareholders must be made on the basis of a competitive bidding procedure);
- to review any financial or accounting matters referred to it by the Chairman of the Board of Directors or the Chief Executive Officer;
- to review any conflicts of interest of which it is aware;
- to approve the provision of non-audit services permitted by law;
- to report regularly to the Board of Directors on its work;
- to report to the Board of Directors on the statutory audit engagement, how the engagement contributed to financial data integrity and the role played by the Committee in the process, and to advise the Board promptly of any difficulties experienced.

The Committee meeting held at the end of the year is devoted mainly to reviewing risk matters.

The Audit and Accounts Committee met five times in 2018:

- 7 February 2018;
- 27 April 2018;
- 26 July 2018;
- 30 October 2018;
- 12 December 2018.

The average attendance rate was 83.22%.

The Committee's work focused mainly on reviewing the annual and interim financial statements. The main accounting options with a significant impact on the financial statements were described. The consolidated results, together with the contribution from the main Crédit Agricole Assurances Group subsidiaries, were reviewed at Crédit Agricole Assurances Group level as well as its contribution to the Crédit Agricole S.A. Group. The regulatory position, as well as the financial reporting guidelines, were presented.

The statutory auditors gave a detailed report on their audit of the interim and annual financial statements.

The second area of the Committee's work involves internal audit, risk management, compliance, the actuarial function and dealings with the regulatory authorities. In 2018, this work involved:

- validating the 2018 audit plan, monitoring its progress, reviewing and, where applicable, revising the results of the annual audits and follow-up on the implementation of recommendations;
- risk management:
  - review of the group's major risks, regular review of aggregate limits set as an acceptable risk level, limit utilisation, management decisions to remedy any limit breaches or formally approve derogations in the event of a limit breach, and review of the Solvency and Financial Conditions Report (SFCR) and Regular Supervisory Report (RSR),
  - annual revision of Solvency II governance policies (risk management, internal audit, capital management, fit & proper, compensation, data quality, ORSA, underwriting, reinsurance, risk governance, sub-contracting, investment, asset & liability management, group liquidity risk management, reporting to the general public and regulatory authorities, prudential provisioning),
  - monitoring of Crédit Agricole Assurances Group's solvency ratios,
  - review of the RSR and SFCR,
  - risk appetite framework and risk appetite statement for Crédit Agricole Assurances Group (strategy and monitoring),
  - approval of the Own Risk and Solvency Assessment (ORSA) report;
- compliance matters: annual activity report (OFAC, market abuse, AML-CFT, anti-corruption law);
- presentation of the Actuarial function's Annual Report;
- ongoing discussions with the ACPR;
- validation by the Committee of engagements authorised and implementation methods.

Minutes of Committee meetings are drawn up and distributed to all the directors.

The Chairman of Committee reports to the Board on the Committee's work.

Crédit Agricole Assurances Group Customer Processes and IT Strategic Committee

The Board create a new research Committee called the "IT Strategy and Customer Processes Committee" on 27 July 2017. The Committee is chaired by Nicolas DENIS and is responsible for reviewing and issuing opinions on major project monitoring, the quality of IT operations and services performed across the front-to-back chain, and in particular the cost charge-backs. The Committee meets at least twice a year. The Chairman reports to the Board of Directors on the Committee's work.

The Committee held its first meeting on 21 December 2017 and then met on 20 July and 14 November 2018.

Compensation Committee

Crédit Agricole Assurances (parent company) has not had any employees since 1 April 2017. At 31 December 2018, the Crédit Agricole Assurances Group, with its French and International subsidiaries, had 4,879 employees.

Crédit Agricole Assurances does not have its own Compensation Committee. At its meeting of 5 November 2013, at the proposal of Crédit Agricole S.A., the Board of Directors delegated compensation matters to Crédit Agricole S.A.'s Compensation Committee.

The role, responsibilities, composition, meeting frequency and work of Crédit Agricole S.A.'s Compensation Committee are described in Crédit Agricole S.A.'s registration document.

In 2018, the Compensation Committee reported to the Board of Crédit Agricole Assurances twice, on 26 July and 13 December 2018.

On 26 July 2018, the Board was informed of the Compensation Committee's work on variable compensation at its meeting of 12 January 2018, on identified employees at its meeting on 9 February 2018, and on the deployment and control of the compensation policy and control arrangements at its meeting of 12 April 2018.

On 13 December 2018, the Board validated the changes to the compensation policy proposed by the Compensation Committee, involving the following matters:

- revision of the rules of conduct: each Crédit Agricole Assurances Group entity must ensure that its compensation practices do not discourage their employees from acting in the best interests of customers or from presenting impartial, clear and non-misleading information. This change was made to comply with the provisions of the Insurance Distribution Directive (IDD);
- review of performance criteria for personal variable compensation. The "life Inflows" indicator was eliminated and the "Revenues" indicator now excludes Savings revenues;
- introduction of a clawback clause: the specific provisions governing identified employees have been reinforced with a new clause requiring all or part of the variable compensation received to be repaid in the event of risky behaviour or particularly serious events (subject to any applicable local law). The clawback clause applies for a period of five years after payment of the variable compensation.

Restrictions on the Chief Executive Officer's powers imposed by the Board of Directors

The Chief Executive Officer has the widest powers to act in the name of the company in all circumstances and to represent the company in its dealings with third parties.

Nevertheless, prior agreement from Crédit Agricole S.A. and the Board of Directors of Crédit Agricole Assurances is required for the following investment or divestment transactions, in excess of €25 million:

- acquisition or subscription of securities with the intention of holding them for the long term, and their disposal;
- asset contributions, mergers or partnerships resulting in changes to the legal scope of Crédit Agricole Assurances Group;
- decisions to bring in new shareholders of Crédit Agricole Assurances consolidated entities;
- contributions (and disposals) of assets or businesses;
- any transactions that may result from the deferred implementation of the transactions described above.

This rule does not cover transactions falling within the scope of day-to-day management of assets representing insurance technical reserves.

Where the transactions referred to above are for less than €25 million and meet one of the four criteria listed below, they are reported to the Chairman of the Board for information:

- aggregate investment (cost of acquisition and capital increases) over five years in excess of €10 million;
- asset contributions, mergers or partnerships resulting in changes to the legal scope of the business (the creation of a branch is considered a change of legal scope);
- annual operating expenses in excess of €3 million;
- a run-off period of more than three years, where a decision is subsequently taken to sell or discontinue an activity.

In addition, investment transactions made by Crédit Agricole Assurances (parent company) that meet the following conditions may derogate from the company's portfolio risk strategy and are reported annually to the Audit and Accounts Committee:

- the investment is in line with a Crédit Agricole Group policy;
- the amount of the transaction is less than or equal to €2 million;
- the aggregate amount of investments made under these rules may not exceed €20 million.

Furthermore, on 19 December 2013, the Board of Directors decided to impose a new restriction on Chief Executive Officer's powers with regard to investments and divestments, in accordance with the decision made by Crédit Agricole S.A. Group's Risk Management Committee (see section on the Role and Operation of the Board – Amendment of the Rules of Procedure – Article 4).

Compensation policy for members of the Board of Directors

Compensation of the Chairman

The Chairman of the Board of Directors does not receive any compensation for the exercise of his functions, except directors'fees, awarded following the rules defined below for all directors.

Draft resolution: Approval of the principles and criteria for determining, splitting and allocating remuneration elements in respect of 2019 of the Chairman of the Board of Directors on behalf of his office.

"The General Meeting, after having reviewed the report of the Board of Directors and the report provided for in Article L 225-37 of the French Commercial Code, takes note of the only payment of directors' fees for the exercise of the mandate of Chairman of the company, as described in the aforementioned report included in the management report for the financial year 2018."

Compensation of directors

The total amount of directors'fees is set on an annual basis by the General Meeting of Shareholders and the Board of Directors then decides how it is to be shared out between directors and non-voting members. A set amount, decided by the Board, is then allocated to each director and non-voting Board member who has attended a meeting of the Board of Directors, the Audit and Accounts Committee, the CAA Group Customer Processes and IT Strategic Committee or any *ad hoc* study groups.

Details of the amount of director's fees received by Crédit Agricole Assurances directors are given in the section "Corporate Governance – Additional information on corporate officers".

Stock options – bonus shares

No Crédit Agricole S.A. stock options have been allocated to Executive Corporate Officers since 2006 and no Crédit Agricole S.A. bonus share grants have been authorised to Crédit Agricole Assurances directors in respect of their offices.

Since Crédit Agricole Assurances only has debt securities and no equity securities admitted for trading, Crédit Agricole Assurances shares are not granted as compensation.

Compensation policy for Executive Corporate Officers

The office granted by Crédit Agricole Assurances'Board of Director to the Chief Executive Officer is performed free of charge. Fixed and variable compensations are attributable to the Chief Executive Officer in consideration of his salaried activity within Crédit Agricole S.A., but it is not subject to any chargeback to Crédit Agricole Assurances.

The compensation of Crédit Agricole Assurances'Chief Executive Officer in consideration of his salaried activity within Crédit Agricole S.A. is divided into:

- an annual fixed compensation that amounts to €400,000;
- an individual variable compensation, with a target of 60% of the fixed compensation and capped to 90% if he overperforms;

- an eligibility for Crédit Agricole S.A. Group's long term incentive plan.

The allocation of variable items to Crédit Agricole Assurances'Chief Executive Officer in consideration of its activity carried out as an employee of Crédit Agricole S.A.:

- is the decision of Crédit Agricole S.A.'s Chief Executive Officer;
- includes a performance assessment based for 50% on economic targets and for 50% on non-economic targets, in accordance with Crédit Agricole S.A. Group's compensation policy.

More generally, Crédit Agricole Assurances Executive Corporate Officers do not receive any benefits in kind and do not have any specific pension schemes, death and disability plans or severance pay linked to their corporate office.

Draft resolution: Approval of the principles and criteria for determining, splitting and allocating elements of the remuneration of the Chief Executive Officer in respect of 2019 on behalf of his office.

"The General Meeting, after having reviewed the Report of the Board of Directors and the Report provided for in Article L 225-37 of the French Commercial Code, takes note of the free exercise of the office of the company's Chief Executive Officer, as described in the aforementioned report included in the management report for the 2018 financial year."

Rules of Procedure of the Board of Directors (full text)

- Adopted by the Board on 21/07/2009.
- Article 3 "Duties and operation of the Committees" amended by the Board on 18/02/2010.
- Article 4 "Power of the Chief Executive Officer" amended by the Board on 21/04/2011.
- Article 3.1 "Compensation Committee" amended by the Board on 05/11/2013.
- Article 4 "Power of the Chief Executive Officer" amended by the Board on 19/12/2013.
- Article 4 "Power of the Chief Executive Officer" amended by the Board on 12/02/2015.
- Article 2 "Organisation of the Board's works" and Article 3 "Duties and operation of the Committees" amended by the Board on 02/12/2015.
- Article 1 "Meetings of the Board of Directors" and article 4 "Powers of the Chief Executive Officer" amended by the Board on 09/02/2017.
- Article 3 "Duties and operation of the Committees" and article 4 "Powers of the Chief Executive Officer" amended by the Board on 27/07/2017.
- Article 3 "Organisation of the Board's works" amended by the Board on 05/05/2018.
- Article 4 "Powers of the Chief Executive Officer" amended by the Board on 13/12/2018.

The Board of Directors of Crédit Agricole Assurances meeting on 21 July 2009, adopted these Rules of Procedure which set out the operating procedures of the company's Board of Directors and Executive Management, while taking account of:

A) the deliberation of the Board dated 21 July 2009 deciding to entrust the duties of Chairman of the Board of Directors and Chief Executive Officer to two separate people;

B) the need to incorporate the company into the Crédit Agricole S.A. control system since it holds, directly or indirectly, almost all of its share capital.

Article 1 – Meetings of the Board of Directors

MEETINGS OF THE BOARD OF DIRECTORS

The Board is convened by its Chairman as often as required by the company's interests and at least four times a year.

If a director is repeatedly absent, for whatever reason, the Chairman may ask said director to tender his resignation, so as not to disrupt the smooth operation of the Board.

The Chief Executive Officer attends all Board meetings but does not have the right to vote.

VIDEOCONFERENCING AND CONFERENCE CALL

Directors who cannot physically attend a meeting of the Board of Directors may inform the Chairman of their intention to participate by videoconference or telecommunication means. The means of videoconferencing and telecommunications used must meet technical specifications guaranteeing the effective participation of each person in the Board of Directors' meeting. They must allow the identification, by the other members, of the director participating in the meeting by videoconference or telecommunication, transmit at least his voice and ensure the continuous and simultaneous retransmission of the deliberations.

A director participating in the meeting by videoconference or telecommunication may represent another director provided that the Chairman of the Board of Directors has, on the day of the meeting, a power of attorney from the director so represented.

Directors attending the Board of Directors' meeting by videoconference or telecommunication shall be deemed to be present for the purpose of calculating quorum and majority.

In the event of a malfunction of the videoconferencing or telecommunications system noted by the Chairman of the Board of Directors, the Board of Directors may validly deliberate and/or continue to conduct business with the members present only physically, provided that the quorum requirements are met.

The attendance register and the minutes must mention the names of the directors present and deemed to be present within the meaning of Article L 225-37 of the French Commercial Code.

In accordance with the law, participation in videoconferencing or telecommunications cannot be accepted for the following decisions:

- preparation of the annual financial statements and management report;
- preparation of the Group's consolidated financial statements and management report, if not included in the Annual Report.

The aforementioned exclusions relate only to the inclusion of remote participants in the quorum and majority and not to the possibility for the directors concerned to participate in the meeting and to give their opinion, in an advisory capacity, on the decisions concerned.

Participation in videoconferencing or telecommunications may also be refused for technical reasons by the Chairman, insofar as these technical reasons would prevent the Board of Directors from being convened by videoconferencing or telecommunications under the applicable legal and regulatory conditions.

Article 2 – Organisation of the Board's work

A) The Board of Directors exercises the powers invested in it by the law and the company's articles of association:

- it determines overall corporate strategies as well as general company policies,
- it approves, where appropriate, on a proposal from the Chief Executive Officer, the resources, structures and plans needed to implement the general strategies and policies it has determined,
- it rules on all corporate administration-related issues referred to it by the Chairman and the Chief Executive Officer,
- it takes decisions on all company operations falling solely within its remit,
- it conducts any inspections or audits that it deems necessary,
- it consults, in accordance with Article L 322-3-2 of the French Insurance Code, the heads of key functions directly and on its own initiative, whenever it considers it necessary and at least once a year. The hearing may take place without the Chief Executive Officer present if members of the Board of Directors deem it necessary. The Board of Directors may delegate this hearing to one of its Specialised Committees. Heads of key functions may directly, on their own initiative, inform the Board of Directors where events occur such as to justify it,
- the Board of Directors shall consult Crédit Agricole S.A. prior to taking the decision to appoint its Chairman, Chief Executive Officer or one, or more, Deputy Chief Executive Officers;

B) The Chairman of the Board of Directors organises the Board's work and ensures that it operates smoothly.

- He/she convenes the Board of Directors, sets the agenda for meetings and ensures that directors receive necessary and sufficient information, in advance, so that decisions can be taken with full knowledge of the facts,
- the Chairman alone is authorised to ask the Executive Management for documents and information about the company outside Board meetings,
- Directors also have this option subject to prior notification of the Chairman.

Article 3 – Duties and operation of the Committees

COMPENSATION COMMITTEE

By decision of the Board of Directors on 5 November 2013, at the proposal of Crédit Agricole S.A., the duties of Crédit Agricole Assurances' Compensation Committee were devolved to Crédit Agricole S.A.'s Compensation Committee.

AUDIT AND ACCOUNTS COMMITTEE

An Audit and Accounts Committee has been created comprising at least two members appointed by the Board of Directors from among its members that do not hold a management position within the company. A non-voting member may also be designated as a permanent guest.

The Chairman of the Audit and Accounts Committee is appointed by the Board of Directors.

Meetings are attended by any person charged with reporting or authorised to report on matters relating to finance, risk control, audit work or company accounts. Representatives from the Finance department and the Secretary General's office and the four key function holders (Audit, Risk Management, Compliance, Actuarial) referred to in Article L. 356-18 of the French Insurance Code are invited to attend Committee meetings, under the conditions set out in Article L. 322-3-2 of the French Insurance Code.

A quorum exists if two of its members are present.

Members who are unable to attend a Committee meeting in person may inform the Chairman of their intention to take part in the meeting by videoconferencing or other means of telecommunication enabling the members to be identified and the proceedings to be faithfully recorded.

The minutes of the Committee meeting shall list the names of those members attending the meeting by video conferencing or other means of telecommunication.

Attendance *via* videoconferencing or other means of telecommunication may be refused by the Chairman for technical reasons.

The Committee meets on the initiative of its Chairman or at the request of the Chairman of the Board of Directors or the Chief Executive Officer.

The Committee may consult the Chief Accounting Officer and Accounts department employees without members of Executive Management being present. The Committee hears comments from the statutory auditors without representatives from Crédit Agricole Assurances Group departments being present.

The Committee meets at least twice a year to review the half-year and annual financial statements prior to their submission to the Board.

The agenda is set by the Chairman of the Committee,

The Committee's main duties are:

- to oversee the preparation of financial information and, if necessary, make recommendations to ensure its integrity;
- to monitor the effectiveness of internal control, risk management and, where appropriate, internal audit systems, as regards the preparation and processing of accounting and financial information, and in particular;
  - to ensure the appropriate accounting treatment of Crédit Agricole Assurances Group significant transactions as well as major risks, in addition to the overall consistency and compliance with Crédit Agricole S.A.'s internal audit rules;
  - to make sure that internal procedures are in place for collecting and auditing data, thus ensuring their reliability;
  - to review the Crédit Agricole Assurances Group's internal audit plan,
  - to familiarise itself with the Crédit Agricole Assurances Group internal audit programmes;
- to make sure that the accounting methods used to prepare the consolidated and parent company financial statements are appropriate and applied consistently from year to year;
- to monitor the statutory auditors' audit of the parent company and consolidated financial statements;

- to review the statutory auditors' audit plan;
- to make sure that the statutory auditors comply with the independence conditions required by law and, if applicable, take the necessary measures;
- to make recommendations to the Board on the reappointment or appointment of the statutory auditors (the recommendation made to the General Meeting of Shareholders must be made on the basis of a competitive bidding procedure);
- to review any financial or accounting matters referred to it by the Chairman of the Board of Directors or the Chief Executive Officer;
- to review any conflicts of interest of which it is aware;
- to approve the provision of non-audit services permitted by law;
- to report regularly to the Board of Directors on its work;
- to report to the Board of Directors on the statutory audit engagement, how the engagement contributed to financial data integrity and the role played by the Committee in the process, and to advise the Board promptly of any difficulties experienced.

The Committee meeting held at the end of the year is devoted mainly to reviewing risk matters.

IT STRATEGY AND CUSTOMER PROCESSES COMMITTEE

The Committee comprises three directors appointed by the Board. Its Chairman must be a director of Crédit Agricole Assurances and a representative of the Regional Banks. Each Committee member must hold one or more directorships in CAA, Predica, Pacifica or CACI such that all four companies are represented by the three members. Other permanent invitees also attend meetings. They include the chairs of the France life and non-life IT & Customer Processes Committees, internal representatives of Crédit Agricole Assurances Solutions and heads of banking and insurance distributors. The opinions issued by the Committee to the Board of Directors are based on work done by the two technical Committees (France life and France non-life IT & Customer Processes Committees) that meet quarterly to monitor implementation of strategic guidelines. The Committee is responsible for reviewing and issuing opinions on major project monitoring, the quality of IT operations and services performed across the front-to-back chain, and in particular the cost charge-backs. The Committee's role is to define guidelines for IT strategy and customer processes to ensure a consistent group-wide approach in these areas. The Committee meets at least twice a year. The agenda is set by the Chairman of the Committee, who reports on its work at the next Board meeting. Members who are unable to attend a Committee meeting in person may inform the Chairman of their intention to take part in the meeting by videoconferencing or other means of telecommunication enabling the members to be identified and the proceedings to be faithfully recorded. The minutes of the Committee meeting shall list the names of those members attending the meeting by videoconferencing or other means of telecommunication. Attendance *via* videoconferencing or other means of telecommunication may be refused by the Chairman for technical reasons.

Article 4 – 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.

Nevertheless, prior agreement from Crédit Agricole S.A. and the Board of Directors of Crédit Agricole Assurances is required for the following investment or divestment transactions, in excess of €25 million:

- acquisition or subscription of securities for the purpose of long-term investment, and their disposal (whether majority equity investments or not);
- asset contributions, mergers or partnerships resulting in changes to the legal scope of Crédit Agricole Assurances Group;
- decisions to bring in new shareholders of Crédit Agricole Assurances consolidated entities;
- contributions (and disposals) of assets or businesses;
- any transactions that may result from the deferred implementation of the transactions described above.

Where the transactions referred to above are for less than €25 million and meet one of the four criteria listed below, they shall be reported, for information purposes, to the Chairman of the Board:

- aggregate investments (cost of acquisition and capital increases) over five years in excess of €10 million;
- asset contributions, mergers or partnerships resulting in changes to the legal scope of the business (the creation of a branch is considered to be a change of legal scope);
- annual operating expenses in excess of €3 million;
- a run-off period of more than three years, where a decision is subsequently taken to sell or discontinue an activity.

In addition, investment transactions made by Crédit Agricole Assurances (parent company) that meet the following conditions may derogate from the company's portfolio risk strategy and are reported annually to the Audit and Accounts Committee:

- the investment is in line with a Crédit Agricole Group policy;
- the amount of the transaction is less than or equal to €2 million;
- the aggregate amount of investments made under these rules may not exceed €20 million.

Moreover, by delegation of Crédit Agricole Assurances Group entities authorised by their Board of Directors, the Chief Executive Officer of Crédit Agricole Assurances may carry out investments or divestments involving four types of assets on behalf of all Crédit Agricole Assurances Group entities.

Nevertheless, if the transaction involves Predica or if the aggregate counterparty exposure (existing outstanding amounts plus investment projects) for a given type of asset exceeds one of the thresholds indicated below, prior approval is required from the Chairman and the Deputy Chairman (which may be delegated) and, where appropriate, prior consultation of the Crédit Agricole S.A. Group Risk Management department.

These rules do not cover transactions falling within the scope of fund management mandates given by the entities to asset management companies, or strategic investments related to the development of bancassurance activities, *i.e.* creating branches, spinning off a business into a subsidiary, acquiring equity interests, selling or acquiring a business, for which the Chief Executive Officer must obtain prior approval from the Chairman (or Deputy Chairman, where applicable).

TRANSACTIONS INVOLVING INVESTMENTS OTHER THAN IN COLLECTIVE FUNDS

Asset category 1: Fixed income

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €150 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department, if the exposure is covered by a Crédit Agricole Group conglomerate level framework, provided that the consumption of the individual limit set by the Group Risk Committee exceeds 90%.

Asset category 2: Listed equities

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €120 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department, excluding the receipt of a dividend in shares, if the exposure is covered by a Crédit Agricole Group conglomerate level framework, provided that the consumption of the individual limit set by the Group Risk Committee exceeds 90%.

Asset category 3: Property assets

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €120 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department, if the exposure is covered by a Crédit Agricole Group conglomerate level framework, provided that the consumption of the individual limit set by the Group Risk Committee exceeds 90%.

Asset category 4: Unlisted equities

- prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €60 million;
- prior consultation with the Crédit Agricole S.A. Group Risk Management department, excluding the receipt of a dividend in shares, if the exposure is covered by a Crédit Agricole Group conglomerate level framework, provided that the consumption of the individual limit set by the Group Risk Committee exceeds 90%.

TRANSACTIONS INVOLVING INVESTMENTS COLLECTIVE FUNDS

Asset category 1: Fixed income

Prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €300 million or if exposure to the asset management company exceeds €750 million[1].

Asset category 2: Listed equities

Prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €240 million or if exposure to the asset management company exceeds €600 million[1].

Asset category 3: Property assets

Prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €240 million or if exposure to the asset management company exceeds €600 million[1].

Asset category 4: Unlisted equities

Prior approval from the Chairman and Deputy Chairman of Predica if aggregate exposure exceeds €120 million or if exposure to the asset management company exceeds €300 million[1].

Article 5 – Amendments to the articles of association and these Rules of Procedure

The Board of Directors shall not propose to the General Meeting of Shareholders any amendment of the articles of association or any other operation over which the Extraordinary General Meeting of Shareholders has jurisdiction unless it has been approved in advance by Crédit Agricole S.A.

Likewise, it shall not decide on any changes to the company's Executive Management or Rules of Procedure, unless it has received approval from Crédit Agricole S.A., said approval being recorded in the Minutes of the relevant Board meeting.

Appendix – Directors'Code of Conduct

All company directors shall comply unreservedly with the provisions of this Code of Conduct, appended to the Board of Directors'Rules of Procedure, of which it forms an integral part.

The Board of Directors, of which you are a member, is the corporate body which, on behalf of all shareholders taken as a whole, appoints corporate officers and oversees and supervises the company's management.

You have been elected by the General Meeting of Shareholders on the basis of your expertise and the contribution that you can make to running the company.

Your work within the Board of Directors shall be guided solely by the interests of the company, considered with regard to the expectations:

- of shareholders;
- of Crédit Agricole Regional Banks;
- of customers;
- of employees.

(1) Collective funds do not fall within the scope of management by the conglomerate Crédit Agricole Group. Only the aggregate exposure criterion determines whether prior consultation of Crédit Agricole S.A. is required.
Clarification of the concepts of aggregate exposure and exposure to an asset management company: the amount of aggregate exposure corresponds to total transactions in the risk group. For collective funds, the concept of risk group corresponds to funds with the same investment universe or processes.
Exposure to the asset management company is equal to the sum of drawn and undrawn commitments on the funds managed by the management company.

All the company-related information which you received within the context of your duties, whether on the occasion of meetings of the Board or of any specialised Committees, is supplied to you intuitu personæ. According to the law, directors are bound by an obligation of discretion. Furthermore, you shall ensure that such information is kept confidential. If you represent a director that is a legal entity, you are subject to same confidentiality requirement.

Your duties as a director are regulated by the French Commercial Code. In addition to such regulation, this Code of Conduct has been drawn up to enable you to exercise your powers in full and to ensure the overall effectiveness of your contribution. It is therefore vital that you comply with the Code of Conduct even if you are the permanent representative of a director that is a legal entity.

In this respect:

- you shall ensure that your attendance at Board meetings is not a source of any conflict of interest either on a personal level or as a result of your professional responsibilities;
- should you consider yourself unable to fulfil your role on the Board of Directors and/or any specialised Committees of which you are a member, you shall resign;
- you shall abstain from deciding and voting on any resolution intended for the purpose of authorising any operation whatsoever in which you (or the company that you represent) have a direct, or indirect, interest;
- you have the option of consulting the Crédit Agricole S.A. Group Ethics Officer on any ethical issues, even on an *ad hoc* basis;
- you shall ensure that material issues affecting the life of the company are the subject of Board of Directors'decisions sanctioned by formal votes, in particular:
  - appointing of members of the executive body,
  - strategic guidelines resulting in product and market policy choices,
  - presenting the budget,
  - estimating results,
  - presenting the management report,
  - approving the financial statements and allocating profits,
  - presenting resolutions for submission to the General Meeting of Shareholders,
  - reports from any specialised Committees created,
  - significant acquisitions or disposals of assets.

Should you consider it necessary for a topic to be debated by the Board of Directors, you are responsible for asking the Chairman of the Board to list said topic on the agenda:

- you shall commit to making an active, critical and constructive contribution to the work of the Board of Directors and of any Committees of which you are a member. Attendance at Board and Committee meetings is the primary condition of this involvement.

  So that you are able to perform your duties to the best of your ability, the Chairman of the Board of Directors shall provide you, wherever possible prior to the Board meeting, with all the information regarding the documents that are to be discussed at said meeting. You also have the option of obtaining information directly from members of the company's management, subject to having informed the Chairman in advance that you wish to exercise this option.

If you no longer comply with the principles or rules of conduct described in this Code of Conduct, you shall tender your resignation to the shareholders.

Terms and conditions of shareholders'participation in General Meetings of Shareholders

The terms and conditions of shareholders'participation in General Meetings of Shareholders are laid down in Article 18 of the company's articles of association.

General Meetings of Shareholders are convened and held under the terms and conditions provided by law.

These meetings are held at the registered office or at any other venue as indicated in the meeting notice.

Except in the cases expressly provided for by law, any shareholder has the right to attend General Meetings and to take part in the deliberations, in person or by proxy, regardless of the number of shares held.

As provided for by law, holders of shares registered for at least three working days prior to the date of the General Meeting may attend or be represented at the Meeting with no prior formality, by providing proof of their identity. The Board of Directors may decide to shorten this period.

Any shareholder may also cast a vote remotely by post in accordance with the legal and regulatory provisions.

The General Meeting is chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman, where applicable, or by a director delegated by the Board of Directors; failing this, by a person appointed by the General Meeting. Where the Meeting has not been convened by the Board of Directors, the Meeting is chaired by the person or one of the persons who convened it.

Ordinary and Extraordinary General Meetings of Shareholders acting in accordance with the quorum and majority requirements provided for by law, exercise the powers granted to them by the legislation in force.

Minutes of meetings shall be drawn up and copies thereof shall be certified and issued in accordance with the law.

Company capital structure

At 31 December 2018, Crédit Agricole Assurances S.A.'s share capital was composed of 149,040,367 ordinary shares, each with a par value of €10.

Crédit Agricole Assurances has seven shareholders. All but six shares are held by Crédit Agricole S.A. The six other shares are each held by a simplified joint stock company in turn wholly owned by Crédit Agricole S.A.

At 31 December 2018, no other shareholder held more than 5% of Crédit Agricole Assurances' share capital or voting rights.

	Number of shares	%
Crédit Agricole S.A.	149,040,361	99.99
Autres	6	NS
TOTAL	**149,040,367**	**100.00**

Company shares have not been the subject of any public offering and are not admitted for trading on any regulated market.

On 31 December 2018, there was no Crédit Agricole Assurances S.A. employee share ownership scheme.

Authorisations to effect capital increases

Table summarising authorisations in force granted by the General Meeting of Shareholders to the Board of Directors to effect capital increases and use made of such authorisations during the year (information required by Order no. 2004-604 of 24 June 2004 reforming the system applicable to negotiable securities):

General Meetings Resolutions	Purpose of authorizations to the Board of Directors	Duration, ceilings, limitations	Use made of authorizations in 2018
General Meeting of Shareholders of 3 May 2018 17th resolution	Increase share capital in one or more transactions at such times as the Board of Directors shall determine, through contributions in cash, to be paid up in cash or by offsetting against claims which are unequivocal, clearly defined and due for payment against the company.	**Ceiling:** The total amount of capital increases may not exceed €500 million. **Term:** One year from the General Meeting of Shareholders.	None.

SUMMARY TABLE SHOWING THE GOVERNANCE RULES LAID DOWN BY CRÉDIT AGRICOLE ASSURANCES IN ADDITION TO THE STANDARD REQUIRED LAW

Governance structure and role of the Chairman

Separation of the functions of Chairman of the Board and Chief Executive Officer

Law:
The decision shall be taken by the Board of Directors. (L 225-51-1, par. 2)
AFEP-MEDEF Code of Governance (June 2018):
It is the responsibility of the Board of Directors to decide and to explain its decision (Recommendation 3).
Governance of Crédit Agricole Assurances:
"In accordance with the Act of 15 May 2001 on the new economic regulations and general rules of governance applicable within the Crédit Agricole Group which distinguish between guidance, decision-making and control functions on the one hand, and executive functions on the other, the offices of Chairman and Chief Executive Officer of Crédit Agricole Assurances have been separated."

Role of the Chairman

Law:
The Chairman organises and leads the work of the Board of Directors and reports thereon to the General Meeting of Shareholders. The Chairman ensures that the company's bodies run smoothly and, in particular, that Directors are in a position to fulfil their duties. (L 225-51)
AFEP-MEDEF Code of Governance (June 2018):
Shareholder relations with the Board of Directors, particularly with regard to corporate governance aspects, may be entrusted to the Chairman of the Board of Directors or, if applicable, to the Lead Director. He or she shall report on this task to the Board of Directors.
Governance of Crédit Agricole Assurances:
"In accordance with the law and the articles of association the Chairman of the Board of Directors organises and directs the work of the Board and reports to the General Meeting of Shareholders on its activities. (...)Following consultation with the Chief Executive Officer, the Chairman of the Board of Directors assesses the work carried out during the year and still to be carried out, in particular, when the Board's schedule and meeting agendas are being set." Relations between the Board and Crédit Agricole S.A. (100% shareholder of Crédit Agricole Assurances) on corporate governance matters are the responsibility of the Chairman.

Composition and diversity of the Board of Directors

Number of Directors

Law:
Composed of 3 members at least and of 18 members at most. (L 225-17 par. 1)
AFEP-MEDEF Code of Governance (June 2018):
The organization of the Board's work, and likewise its membership, must be suited to the shareholder make-up, to the size and nature of each firm's business (...). Each Board is the best judge and its main responsibility is to choose the organizational and operating structure, which the best to carry out its missions. (Recommendation 2.2).
Governance of Crédit Agricole Assurances:
"Crédit Agricole Assurances, a French public limited company (société anonyme), is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law. (...)
At 31 December 2018, the Board was composed of eight members."

Gender balance

Law:
The Board of Directors must seek a balanced representation between women and men. (L 225-17, par. 2)

- Company whose **shares** are traded on a regulated market: Women and men must each represent at least 40% of Directors as of the 2017 Shareholders'Meeting.
- **Large** company: women and men must each represent at least 40% of Directors as of the 2017 Shareholders' Meeting for companies that, over three consecutive financial year, have more than 500 employees and €50 million of revenue (or have total assets of at least that amount) and, as of the 2020 Shareholders' Meeting for companies that, over three consecutive years, have more than 250 employees and €50 million of revenue (or total assets of at least that amount). (L 225-18-1)

AFEP-MEDEF Code of Governance (June 2018):
Women and men must each represent at least 40% of Directors as of the 2016 Shareholders'Meeting (Recommendation 6.4).
Governance of Crédit Agricole Assurances:
The Board of Directors of Crédit Agricole Assurances includes three women since 2016, i.e. 37.5%. Crédit Agricole Assurances, whose shares are not traded on a regulated market, has no employees.

Directors' age

Law:
The number of Directors above the age of 70 may not be more than a third of the number of Directors in office. (L 225-19 par. 2)
Governance of Crédit Agricole Assurances:
"The average age of Directors of Crédit Agricole Assurances is 57. The company's articles of association set an age limit of 65; any director who exceeds this limit will be automatically deemed to have resigned at the end of the next Ordinary General Meeting."

Shares held by Directors

Law:
The governing chapters can impose that each Director owns a number of Society's shares, which is determined by the governing chapters. (L 225-25 par. 1)
AFEP-MEDEF Code of Governance (June 2018):
Directors have to own a significant number of shares (Recommendation 19).
Governance of Crédit Agricole Assurances:
"Since neither the law nor the articles of association require Directors to hold a minimum number of shares, the Directors of Crédit Agricole Assurances are not company shareholders."

Directors representing employees shareholders

Law:
If employee shareholders represent more than 3% of the share capital, the shareholders'meeting appoints a director representing them. (L 225-23, par. 1)
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 7.
Governance of Crédit Agricole Assurances:
The appointment of a Director to represent employee shareholders does not apply.
"All but six shares are held by Crédit Agricole S.A."

Directors representing employees

Law:
In companies employing, at the end of two consecutive financial years, more than 1,000 employees with their French subsidiaries or more than 5,000 employees with their French and international subsidiaries, their Board of Directors must include at least one employee Director of the company. (L 225-27-1)
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 7.
Governance of Crédit Agricole Assurances:
The obligation to appoint a Director representing employees does not apply to Crédit Agricole Assurances, since it already applies to its parent company, Credit Agricole S.A.

Independent Directors

Law:
At least one member of the Audit and Accounts Committee must be an independent Director (L 823-19, II, par. 1).
AFEP-MEDEF Code of Governance (June 2018):
For controlled companies, at least one third of Directors must be independent (Recommendation 8).
Governance of Crédit Agricole Assurances:
As Crédit Agricole Assurances is wholly owned by Crédit Agricole S.A., half of its Board of Directors are executive officers of Regional Banks (main distributor of the group's insurance products), the other half are members of Crédit Agricole S.A.'s executive management.

Advisory Board

Law:
Non-voting Board members are not required.
Governance of Crédit Agricole Assurances:
"Non-voting Board members are appointed for a three-year term by the Board of Directors on a proposal from the Chairman. They cannot serve for more than four terms. They may be dismissed by the Board at any time."
The non-voting Board member shall participate in the meetings of the Board of Directors in an advisory capacity. In particular, he monitors compliance with the articles of association and provides the Board with information and comments. On 31 December 2018, the Board of Directors of Crédit Agricole Assurances consisted of eight Directors and one non-voting member.

Rules to prevent and deal with conflicts of interest situations, which can involve Directors

Governance of Crédit Agricole Assurances:
- "you shall ensure that your attendance at Board meetings is not a source of any conflict of interest either on a personal level or as a result of your professional responsibilities;
- should you consider yourself unable to fulfil your role on the Board of Directors and/or any specialized Committees of which you are a member, you shall resign;
- you shall abstain from deciding and voting on any resolution intended for the purpose of authorizing any operation whatsoever in which you (or the company that you represent) have a direct, or indirect, interest;
- you have the option of consulting the Crédit Agricole S.A. Group Ethics Officer on any ethical issues, even on an ad hoc basis." (Directors' Code of Conduct appended to the Rules of Procedure).

Directorships

List of directorships held by Directors and executive officers

Law:
Directorships to be disclosed in the corporate governance report (L 225-37-4)
Governance of Crédit Agricole Assurances:
A list of directorships held by each Director is disclosed in this report.

Rule governing multiple directorships

Law:
L 225-21/L 225-77/L 225-94/L 225-94-1/L 225-67
AFEP-MEDEF Code of Governance (June 2018):
A Director should not hold more than four other directorships in listed corporations, including foreign corporations, outside of the Group (Recommendation 18.4).
Crédit Agricole Assurances governance:
No Director of Crédit Agricole Assurances holds more than four directorships in listed companies, including foreign companies, outside the Group.

Term of directorship held by Directors

Law:
The duration of directorship held by directors is set by the by-laws, and may not exceed six years. (L 225-18 par. 1)
AFEP-MEDEF Code of Governance (June 2018):
The duration of directorship held by Directors is set by the by-laws, and may not exceed four years (Recommendation 13.1).
Governance of Crédit Agricole Assurances:
The term of directorship of Crédit Agricole Assurances Directors is set at three years by the company's articles of association. This term is renewable although Directors cannot serve for more than four consecutive terms of directorship.

3

Functioning and organisation of the Board (see existence of rules of procedure)

Number of Board of Directors meetings

Law:
The frequency of meetings is not regulated. Only one meeting is compulsory in the year, the one which approves the financial statements.
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 10.2 advocates that the frequency of the meetings is such that they allow for in-depth review of the matters falling within the Committee's scope.
Governance of Crédit Agricole Assurances:
The Board of Directors is convened by its Chairman as often as required by the company's interests and at least four times a year.
"The Board of Directors met six times in 2018. "

Video Conferencing

Law:
The law gives a capacity.
Governance of Crédit Agricole Assurances:
"Directors who cannot physically attend a meeting of the Board of Directors may inform the Chairman of their intention to participate by videoconference or telecommunication means. The means of videoconferencing and telecommunications used must meet technical specifications guaranteeing the effective participation of each person in the Board of Directors' meeting. They must allow the identification, by the other members, of the Director participating in the meeting by videoconference or telecommunication, transmit at least his voice and ensure the continuous and simultaneous retransmission of the deliberations. (...) Participation in videoconferencing or telecommunications may also be refused for technical reasons by the Chairman." (Board of Directors' Rules of Procedure)

Attendance of the Directors to the Board

Law:
No legislation requires the attendance of Directors to the meetings. Article R 225-19 allows Directors to have a representative.
AFEP-MEDEF and MIDLLENEXT Code of Governance (June 2018):
It is expected of any Director that he or she has the requisite qualities and in particular that he or she is honest, present, active and involved (Recommendation 6.1).
Governance of Crédit Agricole Assurances:
"Attendance of Directors at meetings of the Board of Directors is compensated by the payment of directors' fees. Each year, its overall budget is set by the General Meeting of Shareholders and its distribution is decided by the Board of Directors. If a director is repeatedly absent, such as to disrupt the smooth functioning of the Board, the Chairman may ask that Director to tender his or her resignation (see Rules of Procedure)."
"The Board of Directors met six times in 2018. There was a 66.7% rate of attendance over the year."
"You shall commit to making an active, critical and constructive contribution to the work of the Board of Directors and of any Committees of which you are a member. Attendance at Board and Committee meetings is the primary condition of this involvement." (Directors' Code of Conduct appended to the Rules of Procedure)

Compensation Committee

Law:
The Board of Directors may set up specialised Committees (R 225-29, par. 2). An insurance group company such as Crédit Agricole Assurances is not required by law to have a Compensation Committee.
AFEP-MEDEF Code of Governance (June 2018):
In recommendation 17, the AFEP-MEDEF Code recommends the creation of a Compensation Committee responsible for reviewing and proposing to the Board all compensation and benefits to be paid to the company officers and for making a recommendation on the amount and allocation of Directors' fees.
Governance of Crédit Agricole Assurances:
"By decision of the Board of Directors on 5 November 2013, at the proposal of Crédit Agricole S.A., the duties of Crédit Agricole Assurances' Compensation Committee were devolved to Crédit Agricole S.A.'s Compensation Committee."

Nominations Committee

Law:
The Board of Directors may set up specialised Committees (R 225-29, par. 2). An insurance group company such as Crédit Agricole Assurances is not required by law to have a nominations Committee.
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 16
Governance of Crédit Agricole Assurances:
No nominations Committee

Audit and Accounts Committee

Law:
Crédit Agricole Assurances, company whose securities are admitted to trading on a regulated market, has to set up an Audit and Accounts Committee. (L 823-19 par. 1)
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 15 sets out certain requirements relative to the composition, tasks and operation.
Governance of Crédit Agricole Assurances:
"The Audit and Accounts Committee must have at least two members, meet at least twice a year on the initiative of its Chairman or at the request of the Chairman of the Board of Directors or the Chief Executive Officer, and report to the Board of Directors on its work."

Existence of rules of procedure

Law:
Rules of procedure are not required by law.
AFEP-MEDEF Code of Governance (June 2018):
Recommendations 1.9, 2.2, 5.3, 11.1, 14.3 and 19
Governance of Crédit Agricole Assurances:
"On 21 July 2009, the Board of Directors of Crédit Agricole Assurances adopted Rules of Procedure which set out the operating procedures for the company's Board and Senior Management, while taking into account the separation of the offices of Chairman of the Board of Directors and Chief Executive Officer. A Directors' Code of Conduct has now been added to the Rules of Procedure."
In particular, "the Rules of Procedure set out the way in which the Board's work is organised in Board meetings and in meetings held by its specific Committees".
"The Directors' Code of Conduct appended to the Rules of Procedure constitutes a formal reminder of the provisions of the laws, regulations and articles of association governing the prerogatives and responsibilities associated with a directorship (regular attendance, duty of discretion, protection of the company's interests, prevention of conflicts of interest, right to receive information, etc.). It explicitly refers to a Director's right to consult the Crédit Agricole S.A. Group Ethics Officer if necessary.
Since their adoption, the Board of Directors has amended the Rules of Procedure (reproduced below) on several occasions."

Directors'Code of Conduct

AFEP-MEDEF Code of Governance (June 2018):
Recommendation 19: director's ethics
Governance of Crédit Agricole Assurances:
(See Directors' Code of Conduct attached to the rules of procedures of the Board of Directors)

Right to be personally informed

Law:
The Chairman or the Chief Executive Officer is bound to disclose to each Director all the documents and information required for performance of his or her duties. (L 225-35 par. 3)
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 11:
- the rules of procedure should set out the manner in which this right to disclosure is exercised and the related confidentiality duty;
- importance of providing all relevant information, even critical, at any moment of the company's life, between the Board's meeting if the emergency or importance of the matter so requires;
- importance of providing Directors with information, if they do not have a sufficient knowledge of the company's organization and activity.

Governance of Crédit Agricole Assurances:
"The Chairman of the Board of Directors organises the Board's work and ensures that it operates smoothly. He/she convenes the Board of Directors, sets the agenda for meetings and ensures that Directors receive necessary and sufficient information, in advance, so that decisions can be taken with full knowledge of the facts. The Chairman alone is authorised to ask the Executive Management for documents and information about the company outside Board meetings. Directors also have this option subject to prior notification of the Chairman." (Rules of procedure of the Board of Directors)

Board assessment

Assessment of the Board's work and communication of information relative to the results of these assessments

Law:
No requirement is set down by law.
AFEP-MEDEF Code of Governance (June 2018):
Recommendation 9 sets out that the Board should periodically review its organisation and functioning. The Board has to make sure that important issues are suitably prepared and debated. He has to measure the actual contribution of each Director to the Board's work.
It is recommended that the Board:
- shall organise once year a discussion on how it operates;
- shall carry out a formal evaluation every three years with the assistance of an external consultant;
- shall inform shareholders.

Governance of Crédit Agricole Assurances:
During the year, the Board of Directors conducted an assessment of the way it works. The foregoing underlines that the Directors expressed their unanimous satisfaction with regard to the way the Board of Directors and the Audit and Accounts Committee work, as well as concerning their composition and dynamism. Within the framework of a constructive approach, the Directors have expressed a number of suggestions that could improve the common work.

Corporate officers'compensation

Information on Directors and Executive Officers'compensation

Law:
L. 225-37-3
AFEP-MEDEF Code of Governance (June 2018):
Recommendations 24 and 25
Governance of Crédit Agricole Assurances:
Indications in section "Information on corporate officers – Directors' fees and compensations received" and "Compensation policy – Individual compensation of executive corporate officers."

INFORMATION ON CORPORATE OFFICERS

COMPOSITION OF THE BOARD OF DIRECTORS AT 31 DECEMBER 2018

DIRECTORS

Nicolas DENIS	Chief Executive Officer of the Caisse régionale Normandie-Seine
Élisabeth EYCHENNE	Chairwoman of Crédit Agricole Assurances and Predica Chief Executive Officer of the Caisse régionale of Franche-Comté
Nicole GOURMELON	Chief Executive Officer of the Caisse régionale of Normandie until 31 December 2018 Chief Executive Officer of the Caisse régionale of Atlantique-Vendée since 1 January 2019
Jérôme GRIVET	Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Group Finance
Isabelle JOB-BAZILLE	Chief Economist at Crédit Agricole S.A.
Xavier MUSCA	Deputy Chief Executive Officer, second executive director of Crédit Agricole S.A.
Bernard PACORY	Chairman of the Caisse régionale Nord de France
Yves PERRIER	Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Savings, Insurances and Real Estate

NON-VOTING BOARD MEMBER

Jean-Marie MALHERBE	Deputy Chief Executive Officer of the Fédération Nationale du Crédit Agricole (FNCA)

DIRECTORS' FEES AND COMPENSATIONS RECEIVED

	Amounts received by directors [1]	
(in euros)	**Net in 2017**	**Net in 2018**
Nicolas DENIS	7,620	16,800
Élisabeth EYCHENNE	11,430	5,600
Nicole GOURMELON	13,970	7,000
Jérôme GRIVET [2]	-	-
Isabelle JOB-BAZILLE [2]	-	-
Xavier MUSCA [2]	-	-
Bernard PACORY	8,890	8,400
Yves PERRIER [2]	-	-

(1) After the following deductions from the sums payable to individual beneficiaries resident in France: income tax prepayment (12.80%) and social contributions (17.20%).
(2) Waived their directors'fees in 2017 and 2018.

Besides director's fees, these Board-members received the following gross compensations during the year 2018:

	Fixed compensation	Variable compensation			
(in euros)		**non-deferred in cash**	**non-deferred in instrument**	**deferred**	**Benefits in kind**
▶ Jérôme GRIVET	480,000	225,800	47,983	244,418	5,854
▶ Isabelle JOB-BAZILLE	200,000	76,650	13,031	62,919	3,625
▶ Xavier MUSCA Additional information is available in Crédit Agricole S.A.'s registration document	700,000	186,510	52,845	323,525	-
▶ Yves PERRIER Additional information is available in Amundi's registration document	1,000,000	516,000	173,876	1,077,880	5,295

BIOGRAPHY OF CORPORATE OFFICERS

Nicolas DENIS

A graduate of ENSAE, Nicolas Denis began his career in 1990 with Compagnie Bancaire (BNP Paribas). In 1992, he joined an insurance company, member of the Generali Group, specializing in risk and marketing. In 1998, he joined Finaref, a subsidiary of the Crédit Agricole Group and leader in private banking cards, where he worked for six years in the insurance business, before becoming head of direct marketing and distribution and then sales director. In October 2008, he joined Crédit Agricole Centre-Est as Deputy Chief Executive Officer. He supervised the private and corporate banking, credit and agricultural development, human resources and communication departments before joining LCL in 2013 as director of Technology and Banking Services, responsible for the Ile-de-France network and the online network. In 2016, Nicolas Denis becomes Chief Executive Officer of Crédit Agricole de Normandie-Seine.

Elisabeth EYCHENNE

A graduate of the HEC business school in Paris, Elisabeth Eychenne joined Crédit Lyonnais in 1979, where she held commercial and management roles first in corporate banking and later in the Finance department. Appointed Head of Products and Services Marketing in 2000, in 2002 she took over the regional management of branches in the south Paris area. After moving to Crédit Agricole S.A., where she started out in the Group Risk Management department, she later joined the Regional Banks Group as Deputy Chief Executive Officer of the Caisse régionale de Credit Agricole de Val de France in 2007. Elisabeth Eychenne has been Chief Executive Officer of the Caisse régionale du Crédit Agricole Franche-Comté Regional Bank since March 2010.

Nicole GOURMELON

A graduate of CESA HEC strategic Management, of ITB and of BP Banque, Nicole Gourmelon began her career in 1982 in the Caisse régionale of Finistère, where she carried on almost all the development activities, as much from the standpoint of production as of management, across all markets: Individuals, Agriculture, Professionals and Companies. In 1999, she joined the Caisse régionale de Charente-Périgord as business director. In 2002, Nicole Gourmelon became director of finance, strategic marketing and communication in the Caisse régionale d'Aquitaine before joining, in 2004, the Caisse régionale of Normandie as Deputy chief executive officer in charge of the development department (until end 2006) and then Deputy chief executive officer in charge of the management department (from 2007 to 2009). In 2009, Nicole Gourmelon became Deputy chief executive officer of Predica. She became Chief executive officer of the Caisse régionale of Normandie in 2010 then Chief executive officer of the Caisse régionale of Atlantique-Vendée in 2019.

Jérôme GRIVET

A graduate of ESSEC and IEP Paris, and a former student of ENA, Jérôme Grivet began his career in government, notably as the Prime Minister's advisor for European Affairs. In 1998, he joined Crédit Lyonnais as Finance and Management Control officer. In 2001, he was appointed as Crédit Lyonnais' Head of Strategy. He later served in the same role for Crédit Agricole S.A. In 2004, he was put in charge of finance, general secretariat and strategy at Calyon, before being appointed its Deputy Chief Executive Officer in 2007. Since the end of 2010, Jérôme Grivet has been Chief Executive Officer of Crédit Agricole Assurances and Predica. In May 2015, he became Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Group Finance.

Isabelle JOB-BAZILLE

A doctor in Economics from the University of Paris X Nanterre, Isabelle Job-Bazille began her career with Paribas in 1997 as a country risk analyst for the Middle-East-Africa region. She joined Crédit Agricole S.A. in September 2000 as an economist specialising in Japan and Asia before being appointed head of the Macroeconomics division in May 2005. From 2007 to 2011, she worked with Crédit Agricole Corporate and Investment Bank's Capital Markets Research teams, first in Paris and then in London, whilst continuing her responsibilities within Crédit Agricole S.A. Since February 1st 2013, Isabelle Job-Bazille has been Chief Economist at Crédit Agricole S.A., and a member of the Management Committee of Crédit Agricole S.A.

Jean-Marie MALHERBE

A graduate of the Paris School of Business, Jean-Marie Malherbe joined the Caisse régionale de l'Orne in 1986, which became Crédit Agricole de Normandie, as director of Marketing and Communications, then director of Local Networks. In 2007, he joined the Fédération bretonne du Crédit Agricole as director. In 2012, he was appointed Deputy Chief Executive Officer of Crédit Agricole Sud-Méditerranée. Jean-Marie Malherbe has been Deputy Chief Executive Officer of the Fédération nationale du Crédit Agricole since 2016, in charge of the Customer Relations and Innovation department.

Xavier MUSCA

A graduate of IEP Paris and ENA (1985), Xavier Musca began his career at the Inspectorate-General of Finance in 1985. In 1989 he joined the French Treasury, before being invited to work for the Prime Minister's Office in 1993. Between 2002 and 2004, he was Principal Private Secretary for the French Ministry of the Economy, Finance and Industry. In 2004, he was made director General of the Treasury, and became Deputy Secretary General of the French President's Office in 2009, in charge of economic affairs, followed by Secretary General 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, Xavier Musca has been Deputy Chief Executive Officer of Crédit Agricole S.A. and is the second executive director.

Bernard PACORY

A graduate of the National Merchant Navy College and former Merchant Navy officer, Bernard Pacory spent five years with Compagnie Maritime des Chargeurs Réunis, where he eventually became Deputy director Europe/Caribbean. He subsequently joined Lille Port Authority, together with the NCS EIG (Port of Dunkirk – Ports of Lille). This was followed by the Executive Management of the Delta 3 multimodal platform in Dourges and the Executive Management of the Parcs d'Activités de Lille Métropole. He is soon to be appointed as Deputy Chief Executive Officer of CCI Grand Lille in charge of regional development. He is currently Chairman of Crédit Agricole Nord de France and Chairman of the Crédit Agricole Nord de France Corporate Foundation.

Yves PERRIER

A graduate of ESSEC and a chartered accountant, Yves Perrier joined Société Générale in 1987 after 10 years in auditing, where he became Chief Financial Officer in 1995. In September 1999, he joined Crédit Lyonnais where he oversaw the Finance, Risk Management and Audit functions. In 2003 he joined Calyon, where he was appointed Deputy Chief Executive Officer in 2004. In 2007, he joined the asset management business as Chairman and CEO of CAAM. In 2010, he was appointed Chief Executive Officer of Amundi, following the consolidation of the asset management business of Crédit Agricole and Société Générale, where he oversees administration and custody for the Crédit Agricole S.A. Group. Since May 2015, Yves Perrier has been Deputy Chief Executive Officer of Crédit Agricole S.A., in charge of Savings, Insurance and Real Estate, and Chief Executive Officer of Amundi.

Frédéric THOMAS

Frédéric Thomas has a degree in agronomy from ENSA Rennes and holds a postgraduate degree in business management. He began his career with the Caisse régionale du Pas de Calais Regional Bank in 1982, where he held various posts, including Head of Financing from 1993 to 1996 and Head of Networks from 1996 to 2000. In 2000, Frédéric Thomas became Deputy Chief Executive Officer of the Caisse régionale Charente-Maritime Deux-Sèvres. In 2007, he became Chief Executive Officer of the Caisse régionale du Crédit Agricole Normandie-Seine and Chairman of Crédit Agricole Technologies. He has served on the Adicam Board since 2010. Since September 2015, Frédéric Thomas has been Chief Executive Officer of Crédit Agricole Assurances and Predica. He is a member of the Executive Committee of Crédit Agricole S.A.

OFFICE HELD BY CORPORATE OFFICERS

In 2018

Nicolas DENIS

Main office office within Crédit Agricole Assurances:
Board member since 27/07/2017

Business adress:
CRCAM de Normandie-Seine
Cité de l'Agriculture – Chemin de la Bretèque CS 70800
76238 BOIS-GUILLAUME Cedex

Born in 1967
(French nationality)

Date first appointed:
Co-opted by the Board on 27/07/2017 to replace Raphaël APPERT

Reappointed:
2018 AGM

Term of office ends:
2021 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Chief Executive Officer:	▶ CR Normandie-Seine (co-operative society)		
		Chairman:	▶ CAAGIS (S.A.S.) (2017) [1]
Director:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [1] ▶ Predica (S.A.) [1] ▶ Crédit Agricole Technologies & Services (G.I.E.) ▶ CAMCA Mutuelle (S.A.S.) ▶ CAMCA Courtage (S.A.S.) ▶ CAMCA Assurance (S.A. Lux) ▶ CAMCA Réassurance (S.A. Lux) ▶ CA GIP (S.A.S.)	**Director:**	▶ BforBank (S.A.) (2018)
		Member of the Supervisory Board:	▶ CA Titres (S.N.C.) (2018)

(1) Crédit Agricole Assurances Group

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Elisabeth Eychenne

Main office office within Crédit Agricole Assurances:
Board-Member since 14/06/2016 and Chairwoman since 27/07/2017

Business adress:
CRCAM de Franche-Comté
11, avenue Elisée Cusenier
25084 BESANCON Cedex 09

Born in 1958
(French nationality)

Date first appointed:
appointed Board-Member at the General Meeting of Shareholders on 14/06/2016

Term of offices ends:
2019 AGM

Previous office:
Chairwoman of the Audit and Accounts Committee until 27/07/2017

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Chief Executive Officer:	▶ CR de Franche-Comté (co-operative society)		
Chairman:	▶ Predica (S.A.) [2] ▶ Crédit Agricole Assurances (S.A, listed debt securities issuer) [2]	**Chairman:**	▶ Caagis (S.A.S.) [2] (2016) ▶ CAFCI (CA Franche-Comté ▶ Investissements) (S.A.S.) [2] (2016)
Board-Member:	▶ Pacifica (S.A.) [2] ▶ CA Next Bank (Suisse) (S.A.) [1]	**Board-Member:**	▶ CA Titres (S.N.C.) (2016) ▶ CA Solidarité Développement (Foundation) (2016) ▶ CAAGIS (S.A.S.) (2017) ▶ CA Technologie (economic interest group) (2015) ▶ CA Services (economic interest group) (2015) ▶ CACIB (S.A., listed debt securities issuer) (2018) ▶ CA Home Loan SFH (2018) ▶ GIE Copernic (economic interest group) (2018)
		Non-voting Board Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [2] (2016)
Management Board-Member:	▶ Uni-Medias (ex Uni-Editions (S.A.S.)		
Strategic Committe Member:	▶ Carvest (S.A.S.)		
Member of the FNCA (Fédération Nationale de Crédit Agricole):	▶ Member of the international Financial Organisation Steering Committee ▶ Member of the Transformation Quality Functioning Committee ▶ Member of the Finance and Risks Commission	**Member of the FNCA (Fédération Nationale de Crédit Agricole):**	▶ Member of the Economy and Territory Commission (2015) ▶ Member of the Multi-channel Retail Banking Committee (2016) ▶ Member of the Mutual and life Insurance Commission (2017) ▶ Sitting Chairman of the Monitoring Centre for Working Conditions (2018)
OTHERS			
		Board-Member:	▶ Association Nationale des Cadres Dirigeants (2017)
Non-voting Board Member:	▶ SNCD		
		Permanent delegate:	▶ Amicale du Nord et de l'Est (2015)

(1) International appointments
(2) Crédit Agricole Assurances Group

Nicole GOURMELON

Main office within Crédit Agricole Assurances:
Board-Member since 27/07/2016

Business address:
CRCAM d'Atlantique-Vendée
Route de Paris
44949 NANTES

Born in 1963
(French nationality)

Date first appointed:
Board meeting on 27/07/2016

Reappointed:
2018 AGM

Term of office ends:
2021 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENT HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CRÉDIT AGRICOLE GROUP COMPANIES			
		Chief Executive Officer:	▶ CR de Normandie (co-opérative society) (2018) ▶ Sofinormandie (S.A.S.) (2018)
Chairman:	▶ Pacifica (S.A.) [2]	**Chairman:**	▶ CA Normandie Immobilier (SAS) (2016)
		Legal representative of CRCAM Normandie, director:	▶ Britline (S.A.S.) (2018)
Board-Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [2] ▶ CACIB (S.A., listed debt securities issuer)	**Board-Member:**	▶ CAMCA (Mutuelle) (2016) ▶ CA Egypt (S.A.) (2016) [1] ▶ Adicam (S.A.R.L.) (2017) ▶ Normandie Attractivité (Ass.) (2018)
Permanent representative of Sacam Participations, director:	▶ Predica (S.A.) [2]	**Permanent representative of CRCAM Normandie, director:**	▶ Unexo (2018)
Permanent representative of Sacam Développement, director:	▶ LCL (S.A.)		
		Member of the Supervisory Board:	▶ CAMCA Courtage (S.A.S.) (2016)
Member of the FNCA (Fédération Nationale du Crédit Agricole) :	▶ Member of the human ressources Commission ▶ Member of the marketing steering Committee	**Member of the FNCA (Fédération Nationale du Crédit Agricole) :**	▶ Member of the Economy and Territories Commission (2016) ▶ Reporting member of the CA's mutual life and Identity commission (2017) ▶ Member of the Agriculture and agribusiness Committee (2018)
OTHERS			
		Member:	▶ Conseil Supérieur de la Coopération (2018)

(1) International appointments
(2) Crédit Agricole Assurances Group

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Jérôme Grivet

Main office within Crédit Agricole Assurances:
Board Member since 29/10/2015

Business adress:
Crédit Agricole S.A.
12, place des États-Unis
92120 MONTROUGE

Born in 1962
(French nationality)

Date first appointed:
Co-opted by the Board on 29/10/2015 to replace Bernard DELPIT

Reappointed:
on 31/03/2017

Term of office ends:
2020 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer in charge of Group Finance, member of the Executive Committee and Management Committee:	▶ Crédit Agricole S.A. (S.A. listed company)	**Chief Executive Officer:**	▶ Crédit Agricole Assurances (S.A, listed debt securities issuer) [2] ▶ Predica (2015) [2]
		Chairman:	▶ Spirica (2015) ▶ Dolcea vie (2014) ▶ CA Life Greece (SA) (2016) [1] [2]
Board-Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [2] ▶ Caceis (S.A.) ▶ Caceis Bank France (S.A.)	**Board-Member:**	▶ Caagis (2015) ▶ Pacifica (2015) [2] ▶ Ca Vita ▶ CA Indosuez Private Banking ▶ (2014)
Member of the Supervisory Board:	▶ Fonds de garantie des dépôts (association L1901)	**Permanent representative of Predica,**	
		- director:	▶ CAPE
		- member of the supervisiory Board:	▶ CA Grands Crus (2015) ▶ Siparex Associés (2014) [2]
		Permanent representative of Crédit Agricole Assurances, director:	▶ CACI (2015) [2]
		Non-voting Board Member:	▶ La Médicale de France (2015) [2] ▶ CA Immobilier (2015)
OTHERS			
Board-Member:	▶ Korian (S.A., listed company) ▶ Nexity (S.A., listed company)	**Chairman:**	▶ Groupement francais des bancassureurs (2015)
		Board-Member:	▶ Icade (S.A., listed company) (2016)
Permanent representative of Predica, director:	▶ Covivio (ex Foncière des regions) (listed company)	**Member of the Board and Executive Committee:**	▶ FFSA (2015)
		Permanent representative of Predica, director:	▶ Fonds stratégique Participations (SICAV) (2016) ▶ Icade (2014)
		Deputy Chairman:	▶ FFSAM (2015)
		Non-voting Board Member:	▶ Aéroports de Paris (2014)

(1) International appointments
(2) Crédit Agricole Assurances Group

Isabelle JOB-BAZILLE

Main office office within Crédit Agricole Assurances:
Board-Member since 14/06/2016

Business adress:
Crédit Agricole Assurances
12, place des États-Unis
92120 MONTROUGE

Born in 1968
(French nationality)

First appointment:
General Meeting of Shareholders on 14/06/2016

Term of office ends:
2019 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Member of the Management Committee:	▶ Crédit Agricole S.A. (S.A., listed company)	**Member of the extended Executive Committee:**	▶ Crédit Agricole S.A. (S.A., listed company) (2016)
Chief Economist:	▶ Crédit Agricole S.A. (S.A., listed company)		
Board-Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [1] ▶ Predica (S.A.) [1] ▶ Mutuelle parisienne de crédit (Caisse locale Paris-Lafayette) ▶ LCL (S.A., listed debt securities issuer) ▶ FARM		
		Co-Chairman:	▶ Financi'elles (Law 1901 Association) (2017)

(1) Crédit Agricole Assurances Group

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Jean-Marie MALHERBE

Main office office within Crédit Agricole Assurances:
Non-voting Board Member since 09/02/2017

Business adress:
Fédération Nationale du Crédit Agricole
48, rue la Boetie
75008 PARIS

Born in 1963
(French nationality)

Date first appointed:
Board on 09/02/2017

Term of office ends:
Board on February 2020

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer:	▶ FNCA (Fédération Nationale du Crédit Agricole)		
Chief Executive Officer:	▶ CA Village de l'innovation		
Board-Member:	▶ BforBank (S.A.)	**Board-Member:**	▶ CAMCA Assurance (S.A. Lux) (2018) ▶ CAMCA Réassurance (S.A. Lux) (2018)
Permanent representative of FNCA (Fédération Nationale de Crédit Agricole), Board-Member:	▶ CA-Innove (G.I.E.) ▶ Crédit Agricole Store (G.I.E.)		
Non-voting Board Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) (1) ▶ Predica (S.A.) (1) ▶ Pacifica (S.A.) (1)		
Member of the Strategic Committee:	▶ Crédit Agricole E-Immo (G.I.E.)		

(1) Crédit Agricole Assurances Group

Xavier Musca

Main office office within Crédit Agricole Assurances:
Board-Member since 07/11/2012

Business adress:
Crédit Agricole S.A.
12, place des États-Unis
92120 MONTROUGE

Born in 1960
(French nationality)

Data first appointed:
Co-opted by the Board on 07/11/2012

Reappointed:
on 31/03/2017

Term of office ends:
2020 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer, second executive director, member of the Executive Committee, member of the Management Committee:	▶ Crédit Agricole S.A. (S.A. listed company)		
Chairman:	▶ CA Consumer Finance (S.A.) ▶ Amundi (S.A.,listed company)		
Deputy Chairman, Director:	▶ Predica (S.A.) [2]	**Deputy Chairman-Director:**	▶ Crédit Agricole Egyt (2015) [1] ▶ Ubaf (2015)
Permanent representative of Crédit-Agricole S.A., director:	▶ Pacifica (S.A.) [2]	**Deputy Chairman Supervisory Board:**	▶ Crédit du Maroc (2015) [1]
Board-Member:	▶ Crédit Agricole Assurances (S.A, listed debt securities issuer) [2] ▶ Cariparma (SPA) Italy [1]	**Board-Member:**	▶ Banco Espirito Santo (2014) (listed company) ▶ Bespar (2014) ▶ CACEIS (2015) ▶ CACI (S.A.) (2017)
OTHERS			
Board-Member:	▶ Cap Gemini (S.A., listed company)		

(1) International appointments
(2) Crédit Agricole Assurances Group

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Bernard PACORY

Main office office within Crédit Agricole Assurances:
Board Member since 17/06/2014

Business adress:
CRCAM Nord de France
10, square Foch
59800 LILLE

Born in 1953
(French nationality)

Date first appointed:
2014 AGM

Reappointed:
on 31/03/2017

Term of office ends:
2019 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Chairman:	▶ CR Nord de France (Société coopérative) ▶ Foncière de l'Erable (S.A.) ▶ Segam Lille (S.A.)		
Board-Member:	▶ Crédit Agricole Assurances (S.A, listed debt securities issuer) (1) ▶ Pacifica (S.A.) (1) ▶ LCL (S.A., listed debt securities issuer) ▶ CA Immobilier (S.A.) ▶ Square Habitat Nord de France (S.A.S.) ▶ CA Polska (S.A.) ▶ Nord Capital Investissement (S.A.) ▶ Nord Capital Partenaire (S.A.S.) ▶ Predica (S.A.) (1)	**Board-Member:**	▶ CA Payment Services (S.A.) (2018)
Representative of CR Nord de France, Manager:	▶ Sainte Croix (S.C.I.)		
OTHERS			
Chairman:	▶ Fondaion d'entreprise CA Nord de France	**Chairman:**	▶ Institut supérieur Agriculture (2014) ▶ Socarenord (2015) radiation
Board-Member:	▶ Voix du Nord (S.A.) ▶ SPL Euratechnologies ▶ Groupe Rossel La Voix (S.A.)		▶ Finorpa Financement (S.A.S.) (2018)
		Permanent representative of CR Nord de France, Board Member:	▶ Soginorpa Maisons des Cités (S.A.) (2017)
Member of the FNCA (Fédération Nationale du Crédit Agricole):	▶ Healthcare and Ageing Committee ▶ Housing Committee	**Member of the FNCA (Fédération Nationale du Crédit Agricole):**	▶ Customer Relations Committee (2016) ▶ Economy and Territory Commission (2017) ▶ Transformation and Performance Committee

(1) Crédit Agricole Assurances Group

Yves PERRIER

Main office office within Crédit Agricole Assurances:
Board-Member since 29/10/2015

Business adress:
AMUNDI Group
90, boulevard Pasteur
75015 PARIS

Born in 1954
(French nationality)

Date first appointed:
Co-opted by the Board on 29/10/2015 as a replacement for Jérôme BRUNEL

Term of office ends:
2019 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Deputy Chief Executive Officer in charge of Savings, Insurance and Real Estate, Member of the Executive Committee:	▶ Crédit Agricole S.A. (listed company)		
Chairman and Chief Executive Officer:	▶ Amundi AM (S.A.)	**Chairman:**	▶ CACEIS (2015)
Chief Executive Officer, director:	▶ Amundi Group (S.A., listed company)	**Board-Member:**	▶ Euro Securities Partners (2015)
Board-Member:	▶ Crédit Agricole Assurances (S.A., listed debt securities issuer) [2] ▶ Pacifica (S.A.) [2]	**Member Supervisory Board:**	▶ Ca Titres (2015)
Permanent representative of Crédit Agricole S.A., Board-Member:	▶ Predica (S.A.) [2] ▶ CA Immobilier (S.A.)		
OTHERS			
Honorary Chairman:	▶ AFG (Association)	**Chairman:**	▶ Société Générale Gestion (2015) ▶ AFG (Association)
		Board-Member:	▶ Ciel Group (2015) ▶ Maike automotive (S.A.S.) (2016) ▶ LCH Clearnet (S.A.) (2016) [1]

(1) International appointments
(2) Crédit Agricole Assurances Group

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Information on executives

At 31 December 2018

Frédéric THOMAS

Main office within Crédit Agricole Assurances:
Chief Executive Officer

Business adress:
Crédit Agricole Assurances
16/18, boulevard de Vaugirard
75015 PARIS

Born in 1956
(French nationality)

Date first appointed:
Board meeting of 31/07/2015, effective 01/09/2015

Term of office ends:
2019 AGM

OFFICES HELD AT 31/12/2018		OTHER APPOINTMENTS HELD IN THE PAST FIVE YEARS *(Appointments that expired between 2014 and 2018)*	
IN CREDIT AGRICOLE COMPANIES			
Executive Com. member:	▶ Crédit Agricole S.A. (S.A., listed company)		
Chief Executive Officer:	▶ Crédit Agricole Assurances (S.A, listed debt securities issuer) [2] ▶ Predica (S.A.) [2]	**Chief Executive Officer:**	▶ Caisse régionale Normandie Seine (2015)
Chairman of the Supervisory Committee:	▶ Fintech/Insurtech Venture (S.A.S.)	**Chairman:**	▶ CA Techno. et services (2015) ▶ Delta (2015) ▶ Progica (S.A.S.) [2] (2016)
Board-Member:	▶ Pacifica (S.A.) [2] ▶ Spirica (S.A.) [2] ▶ CA Vita (SPA) [1] [2] ▶ Adicam (S.A.R.L.) ▶ CA Indosuez Wealth Management (S.A.) ▶ LCL (S.A., listed debt securities issuer) ▶ CA GIP (S.A.S.)	**Board-Member:**	▶ Crédit Agricole Services (2015) ▶ Ifcam(2015) ▶ Acticam (2015) ▶ Cité de l'agriculture (2015) ▶ Uni Editions (2015) ▶ CA Consumer Finance (2015) ▶ CA Leasing & Factoring (2015) ▶ NCI Normandie Capital Investissement (2015) ▶ Caagis (S.A.S.) (2017) [2]
Member of the Sup. Committee:	▶ Crédit Agricole Innovations et Territoires		
CAA permanent representative, director:	▶ CACI (S.A.) [2]		
CAA legal repr., Chairman:	▶ Crédit Agricole Assurances Solutions [2]	**Representative of CR Normandie Seine:**	▶ Uni Expansion Ouest (2015)
		Manager:	▶ SCI Montaigne (2015) ▶ SEP Normandie Seine (2015)
		Permanent representative Predica, Member of the Sup. Board:	▶ CA Grands crus (S.A.S.) (2016)
Non-voting Board Member:	▶ La Médicale de France (S.A.) [2]	**Non-voting Board Member:**	▶ CA Immobilier (2017) (S.A.)
		Member of the FNCA (Féd. Nationale de Crédit Agricole):	▶ Member of the HR Committee (2015) ▶ Deputy Chairman of the SNCD Executive Committee (National Syndicate of Senior Executives) (2015)
OTHERS			
Vice-President:	▶ Groupement français des bancassureurs		
Permanent repr. of Predica, Chairman:	▶ Fonds stratégique Participations (SICAV)		
Board-Member:	▶ Icade (S.A. cotée)		

(1) International appointments
(2) Crédit Agricole Assurances Group

MANAGEMENT BODIES AT 1 JANUARY 2019

COMPOSITION OF THE CRÉDIT AGRICOLE ASSURANCES GROUP'S EXECUTIVE COMMITTEE

Frédéric THOMAS	Chief Executive Officer of Crédit Agricole Assurances
Thierry LANGRENEY	Second dirigeant effectif of Crédit Agricole Assurances, in charge of Property and casualty insurance in France
Henri LE BIHAN	Second dirigeant effectif of Crédit Agricole Assurances, in charge of Death & disability in France and Creditor insurance
Jean-Jacques DUCHAMP	Deputy Chief Executive Officer of Crédit Agricole Assurances, in charge of Investments
Christian COUCHOUD	Head of Human resources
Patrick DEGIOVANNI	Second dirigeant effectif of Pacifica, in charge of specialised markets and compensation for Property and casualty insurance in France
Éric FÉRON	Second dirigeant effectif of Pacifica, in charge of business development, organization and information systems for Property and casualty insurance in France
Jean-Luc FRANÇOIS	Head of Savings/Individual retirement France
Pierre GUILLOCHEAU	Head of Group insurance
Hichem JABALLAH	Head of Information Systems
Clément MICHAUD	Chief Financial Officer
Bruno MOATTI	Secretary General
Guillaume ORECKIN	Head of International Insurance

COMPOSITION OF THE CRÉDIT AGRICOLE ASSURANCES GROUP'S MANAGEMENT COMMITTEE

Frédéric THOMAS	Chief Executive Officer of Crédit Agricole Assurances
Thierry LANGRENEY	Second dirigeant effectif of Crédit Agricole Assurances, in charge of Property and casualty insurance in France
Henri LE BIHAN	Second dirigeant effectif of Crédit Agricole Assurances, in charge of Death & disability in France and Creditor insurance
Jean-Jacques DUCHAMP	Deputy Chief Executive Officer of Crédit Agricole Assurances, in charge of Investments
Yannick APPERT-RAULLIN	Head of the Actuarial function
Aurelia ALRAN	Head of the Internal audit function
Daniel COLLIGNON	Chief Executive Officer of Spirica
Christian COUCHOUD	Head of Human resources
Françoise DEBRUS	Head of Investments
Patrick DEGIOVANNI	Second dirigeant effectif of Pacifica, in charge of specialised markets and compensation for Property and casualty insurance in France
Gilles DEMONSANT	Deputy Head of Savings/Individual retirement France
Marco DI GUIDA	Chief Executive Officer of CA Vita
Éric FÉRON	Second dirigeant effectif of Pacifica, in charge of business development, organization and information systems for Property and casualty insurance in France
Jean-Luc FRANÇOIS	Head of Savings/Individual retirement France
Sébastien GARNIER	Head of Compliance
Pierre GUILLOCHEAU	Head of Group insurance
Laurent GOULOT	Head of Planning, Orientation and Projects
Hichem JABALLAH	Head of Information Systems
Noël LÉGER	Head of Logistics and Security
Clément MICHAUD	Chief Financial Officer
Bruno MOATTI	Secretary General
Philippe MORELLI	Chief Executive Officer of La Médicale de France
Caroline NICAISE	Head of Communication, Innovation and CSR
Guillaume ORECKIN	Head of International Insurance
Andrée-Lise RÉMY	Head of Risks and Permanent control
Alain ROUSSEL	Deputy Head of Death & disability France and Creditor insurance
Guy VAN DEN BOSCH	Chief Executive Officer of Cali Europe

COMPENSATION POLICY

COMPENSATION POLICY OF CRÉDIT AGRICOLE ASSURANCES

General principles applicable to all Crédit Agricole Assurances employees

As a subsidiary of the Crédit Agricole S.A. Group, the compensation policy of Crédit Agricole Assurances shares the same principles of competitiveness, responsible commitment and consistency of compensation structures.

Crédit Agricole S.A. has established a responsible compensation policy aimed at reflecting the values of the Agricole S.A. Group and respecting the interests of all stakeholders, be they employees, customers or shareholders. The aim of the policy is to recognise individual and collective performance over the long term.

In line with the specific characteristics of its business lines, legal entities and legislation in local markets, Crédit Agricole S.A. Group's compensation system aims at offering competitive compensation relative to its benchmark markets to attract and retain the best talent. Compensation is dependent on individual performance, but also the overall performance of the business lines. Lastly, the compensation policy aims at limiting excessive risk-taking.

The Crédit Agricole Assurances compensation policy reflects the targets defined by Crédit Agricole S.A. Group, while seeking to adapt them to different employee categories and the specific features of the insurance market.

Total compensation paid to employees of Crédit Agricole Assurances comprises the following elements:

- basic salary;
- individual variable compensation;
- collective variable compensation;
- long-term variable and deferred compensation;
- peripheral compensation (supplementary pension and health insurance schemes).

Crédit Agricole Assurances compares its practices with those of its market (mutual insurance, insurance, and bancassurance companies) and thus seeks to position the overall compensation of its employees around the median market practice.

Basic salary

The basic salary rewards employees for the skills required to exercise the responsibilities associated with their position.

A position (and by extension the associated function) are characterised by a particular role and contributions, a grade within the organisation and a job description outlining the expected competencies and experience.

Individual variable compensation

Individual variable compensation rewards employee performance and is an integral part of the annual compensation structure.

The basic salary and variable compensation are calculated to allow a fully flexible variable compensation policy, with the possibility of non-payment of individual variable compensation in the event of under-performance and/or reported and proven risk behaviours.

Furthermore, variable compensation is set in such a way that it does not impede the ability of Group entities to increase their solvency when necessary.

Individual variable compensation 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).

The extent to which objectives are achieved or exceeded is the key criterion for the allocation of individual variable compensation, in addition to a qualitative evaluation focusing on how the targets were achieved (examining criteria such as autonomy, involvement, uncertainty, general context, etc.), and in light of consequences for other stakeholders in the company (managers, colleagues, other sectors, etc.).

Taking these various aspects into account helps to differentiate between individual performance levels.

In response to regulatory requirements both in Europe (Solvency 2, Directive on insurance distribution) and the United States (the Volcker Rule), a Code of Conduct is included in the compensation policy so that compensation practices:

- do not create incentives that might encourage the persons concerned to promote their own interests to the potential detriment of their client;
- do not hinder the ability of their employees to act in the best interests of their clients, or dissuade them from presenting information in an unbiased, clear and non-misleading way;
- do not encourage speculative trading positions to be taken, where proprietary trading is permitted by law;
- prohibit employees from any recourse to an individual hedging strategy or income protection or liability insurance that could compromise the risk alignment envisaged by variable compensation schemes.

In accordance with the regulatory requirements under Solvency 2, to prevent any conflict of interest, the compensation of personnel occupying "key" functions will be set independently of that of the business lines they oversee or audit. These include functions such as those defined by Commission Delegated Regulation (EU) 2015/35 of 10 October 2014, namely Risk Management, Compliance, Internal Audit and Actuarial functions.

The targets set for them and the indicators used to determine their variable compensation do not take into account criteria relating to the results and financial performance of the entities they control.

These targets can be economic and/or non-economic:

- economic targets are disconnected with the results of the controlled entity, Crédit Agricole Assurances, and based on the results of the immediately upper entity, Crédit Agricole S.A.;
- non-economic targets are set up with respect to the SMART method (Specific, Measurable, Accessible, Realistic and Time-limited). These targets can for instance focus on the quality/reliability of the control procedures under their responsibility.

Collective variable compensation

Collective variable compensation rewards the collective performance of Crédit Agricole Assurances. It consists of profit-sharing and incentive plans.

Collective variable compensation is supplemented by a company savings scheme and collective pension savings plan for the benefit of all employees.

Employee share ownership to Crédit Agricole S.A.'s equity

In 2018, Crédit Agricole S.A. has carried out a capital increase reserved for the employees of the Group Crédit Agricole.

Employees were offered an investment where the subscription price was discounted by 20% compared to the Crédit Agricole share price.

Compensation policy for executive managers of Crédit Agricole Assurances

Crédit Agricole Assurances has implemented the Credit Agricole S.A. compensation policy for executive managers of the Crédit Agricole S.A. Group.

These managers, members of the Crédit Agricole Assurances management team, are identified and named according to the rules laid down and defined by Crédit Agricole S.A.: they then join the management pools established by Crédit Agricole S.A. Group.

The variable compensation policy put in place by Crédit Agricole S.A. for executive managers of Crédit Agricole Assurances Group is aimed in particular at:

- correlating compensation levels with actual performance in the long term;
- aligning management interests with those of the Crédit Agricole S.A. ecosystem, by differentiating between individual and collective objectives and linking economic and non-economic performance (customer satisfaction, management efficiency and impact on society);
- attract, motivate and keep executive managers in.

Individual variable compensation

Among individual variable compensation mechanisms, executive managers of Crédit Agricole Assurances are eligible for a Crédit Agricole S.A. Group variable compensation scheme: individual variable compensation, based on the achievement of pre-defined individual and collective targets within an employee's area of responsibility.

This programme has been designed and adapted for senior executives, who are not executive managers, of Crédit Agricole Assurances who also receive individual variable compensation.

The calculation of individual variable compensation measures individual performance, on the basis of the attainment of individual and collective targets in four areas specified below.

These areas are weighed according to the level of responsibility of the executive manager or senior executive:

- economic results are weighted by 20 to 50% of the total individual variable compensation, the weight increasing with the level of responsibility;
- the remaining 50 to 80% are spited by the management between the three other areas, according to the level of responsibility.

ECONOMIC RESULTS

The creation of shareholder value is assessed according to the nature of the function concerned. It must cross-reference financial results as well as levels of investment and risks generated, the cost of capital and liquidity, in harmony with the development strategy of Crédit Agricole S.A. Group and its businesses.

HUMAN CAPITAL

The creation of management value is assessed according to the ability to attract, develop and retain the employees necessary for the development of Crédit Agricole S.A. Group by:

- finding and developing talent and future leaders;
- developing skills (training, delegation, etc.);
- managing careers: promotion, internal mobility, etc.;
- motivating teams: sharing information, participating in projects, etc.

INTERNAL AND EXTERNAL CUSTOMERS

Value creation for internal or external customers according to the department is assessed by measuring satisfaction with the services and advice provided.

SOCIETY

The creation of societal value, in line with the mutualist and ethical identity of Crédit Agricole, is measured internally (corporate social responsibility, respect for values other than legal and economic obligations, etc.) and externally (impact on the environment, dealings with partners, customers, investors, suppliers, ethics, etc.).

Conduct that is found to be contrary to fit and proper requirements, compliance rules and procedures and risk limits has a direct impact on the variable compensation awarded.

The amounts of annual variable compensation are calculated as a percentage of base salary. Target bonus increases in line with responsibility levels.

The financial objectives set for each executive manager, irrespective of his/her business line or function, are partly based on Crédit Agricole S.A. Group criteria, commensurate with his/her level of responsibility, and partly on the entity's financial objectives.

Long term variable compensation

The long-term compensation plan set up by Crédit Agricole S.A. Group in 2011 takes the form of a share award and/or cash scheme indexed to long-term performance conditions:

- Crédit Agricole S.A.'s intrinsic economic performance, defined by the evolution of Crédit Agircole S.A.'s gross operating income;
- the relative performance of Crédit Agricole S.A.'s share, compared with a composite index of European banks;
- Crédit Agricole S.A. societal performance, measured by the FReD index.

For each target, the Board of Directors observes a level of achievement included between 0% and 120% of the target the Board defined formerly. Each year, the global rate of acquisition of the deferred and conditional variable compensation is equal to the average of the achievement rate for each target, this average being caped at 100%.

Subject to the fulfilment of the performance conditions, the shares are vested annually in equal proportions over a three-year vesting period.

An additional holding requirement may subsequently be imposed on beneficiaries for a further period.

At the end of the deferred period, the vesting of the shares is linked to the fulfilment of strict long-term performance conditions, on the basis of the following criteria:

- the intrinsic economic performance of Crédit Agricole S.A. Group;
- the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks;
- societal performance measured by FReD, Crédit Agricole's CSR performance index.

If performance conditions are met or exceeded at the end of the vesting period, 100% of the rights awarded are deemed to have vested.

In the event of partial achievement of performance conditions, a proportional reduction is applied.

Each performance condition accounts for a third of the initial award.

The Chief Executive Officers of Crédit Agricole Assurances are eligible for this long-term plan. The award is determined on an annual basis following a recommendation from the Chief Executive Officer of Crédit Agricole S.A.

Supplementary pension schemes

Since 2011, executive managers of Crédit Agricole Assurances have been eligible for supplementary pension schemes, comprising a combination of defined-contribution plans and a top-up defined-benefit plan:

- the aggregate contributions to the two defined-contribution supplementary pension plans (the branch scheme and the company scheme), are equal to 8% of gross salary capped at eight times the social security cap (of which 5% is paid by the employer and 3% by the beneficiary);
- the rights to the defined-benefit top-up scheme are determined after the rights paid under the defined-contribution plans. Provided that the beneficiary is still employed on the vesting date, these rights are equal to a pension rate of between 0.125% and 0.30% for every quarter of service (with a maximum limit of 120 quarters) multiplied by the reference compensation.

The reference compensation is defined as the average of the highest gross annual compensation for three out of the last ten years of service in Crédit Agricole entities, including both fixed and variable compensation, with the latter capped at between 40% and 60% of fixed compensation, according to the last salary level.

In all cases, at the settlement date, the total retirement annuity of all schemes is capped at 70% of the reference compensation.

Entitlements that have been accumulated within the Group before the current regulation effective date, are held and, if applicable, cumulative with the rights arising out of the current regulation enforcement, including for the calculation of the payable annuity cap.

Governance of compensation

As a Crédit Agricole S.A. Group entity, the compensation policies and practices of Crédit Agricole Assurances are placed under the governance of Crédit Agricole S.A. Group.

On 5 November 2013, the Board of Directors of Crédit Agricole Assurances decided to transfer the functions of the Compensation Committee to Crédit Agricole S.A.

The Human Resources department of Crédit Agricole Assurances Group provides the Crédit Agricole S.A. Compensation Committee with all the necessary information for that purpose.

Crédit Agricole Assurances thus implements its compensation policy on the basis of decisions adopted by the Board of Directors of Crédit Agricole S.A., in consultation with the Compensation Committee and the Compensation Policy Control Committee of Crédit Agricole S.A. Group. The latter includes the Group Risk Management and Permanent Control department, the Group Compliance department and the Human Resources department of the Crédit Agricole S.A. Group.

The Finance department of Crédit Agricole S.A. Group is also involved in validating procedures for determining the economic results of the variable compensation paid to executive managers.

The definition and implementation of the Compensation Policy are audited by the Crédit Agricole Group S.A. Control and Audit function.

In addition and in order to comply with regulatory requirements, Crédit Agricole Assurances has established a Committee to implement compensation policies; this Committee gathers the Risks Management and Permanent Control department, the Compliance department and the Human Resources department.

The role of this Committee, that allows to involve Control functions in the process of variable compensations review and more precisely the ones relative to identified staff, is to:

- define identification criteria for employee considered as "risk-takers", in a consistent manner within the framework given by the Group for each period, and regulatory requirements specific to Insurance;
- identify and update the list of identified staff ;
- coordinate the effective implementation of a risk-behavior control, in accordance with the ongoing procedures and norms;
- validate the review of the process and the reporting to the Group governance bodies, including the information relative to observed risk-behavior individual situation.

An arbitration procedure has also been formalised to deal with any cases of risky behaviour observed during a financial year.

Through its audits, the Group Control function guarantees compliance of the practices with the policy.

COMPENSATION OF IDENTIFIED STAFF

The determination of employees as identified staff is the result of a joint process that involves the the Risks Management and Permanent Control department, the Compliance department and the Human Resources department. This process is under the supervision of the Crédit Agricole S.A. compensations Committee.

In accordance with the Delegated Regulation (EU) 2015/35 of 10 October 2014, the employees considered as "identified staff" include the employees that belong to a category of staff that could have an impact on the risk profile, because of the function they carry out, namely:

- corporate officers and executive directors;
- members of Crédit Agricole Assurances executive Committee;
- staff holding "key" positions specified in articles 269 to 272 of the Delegated Regulation (EU) 2015/35: risks management, compliance control, internal audit, actuarial function;
- the staff responsible for the underwriting activity and the business development;
- the staff responsible for investments.

For each new financial year, the list or categories of employees identified are presented to the Compensation Committee of Crédit Agricole S.A. on the recommendation of the executive management of each entity, after validation by the risk, compliance and human resources functions.

The compensation policy of identified staff is specific in terms of variable compensation, 40% of this compensation (60% for the highest compensations) being deffered over three years, subject to performance conditions:

- the deferred share is acquired in one-third tranches: one third during the year N+1, one third during the year N+2 and one third during the year N+3, N being the reference year, provided that the acquisitions conditions are fulfilled (performance conditions);
- the performance conditions are in line with the ones of the long term variation compensation, defined in the chapter " Long term variable compensation" above;
- the differed variable compensation is acquired in the form of shares Crédit Agricole S.A. or instruments indexed to shares Crédit Agricole S.A.;
- the employees involved in this scheme are prohibited from implementing a hedging or insurance strategy (whether on a personal basis or through their employer) with a view to limiting the scope of the statements contained in the compensation system in order to align a portion of the variable compensation with risks taken;
- the total amount of variable compensation attributed to an employee being identified staff can entirely or partially be reduced in function of the actions or risk behavior observed;
- in case of proven risky behaviour or particularly serious acts, subject to applicable local laws, the return of all or part of the variable compensation already paid could be demanded, up to five years after the payment;
- the staff whose variable compensation is below €120,000 is excluded from the scope for the application of these rules relative to deferred compensation.

The compensation paid during the fiscal year to identified staff is the subject of a resolution that is annually submitted to Crédit Agricole S.A.'s General Meeting.

INDIVIDUAL COMPENSATION OF EXECUTIVE CORPORATE OFFICERS

Summary of compensation awarded to Corporate Officers of Crédit Agricole Assurances S.A., required under Article L. 225-37-3 of the French Commercial Code.

Frédéric THOMAS,

Chief Executive Officer of Crédit Agricole Assurances

	2018		2017	
(in euros)	**Amount awarded in respect of 2018**	**Paid in 2018**	**Amount awarded in respect of 2017**	**Paid in 2017**
Fixed compensation	400,000	400,000	400,000	400,000
Non-deferred variable compensation [1]	181,850	183,750	183,750	179,500
Variable compensation indexed to the Crédit Agricole S.A. share price	36,370	31,238	36,750	45,234
Deferred and conditional variable compensation [2]	145,480	66,880	147,000	23,767
Exceptional compensation	-	-	-	-
Directors'fees [3]	-	-	-	-
Benefits in kind [4]	4,421	4,421	4,421	4,421
TOTAL	**768,121**	**686,289**	**771,921**	**652,922**

(1) Variable compensation is composed of two parts:

- *individual variable compensation determined according to the targets detailed below. The target amount, i.e. in the event of 100% achievement of all objectives, corresponds to 60% of annual fixed compensation, potentially rising to a maximum of 90%;*
- *long-term variable compensation, decided annually by the Chief Executive Officer of Crédit Agricole S.A. Group.*

Awarded in n+1 in respect of year n, personal variable compensation (excluding long-term incentive plans) is calculated on the basis of the achievement of targets set each year by the Board of Directors of Crédit Agricole S.A.

It is 50% composed of financial targets, including:

- *15% covering Crédit Agricole S.A. (revenues, net income Group share, expenses and risks weighted assets);*
- *35% covering Crédit Agricole Assurances (net income Group share of the Insurance business, Crédit Agricole Assurances expenses, premium income excluding savings).*

Non-financial targets (50%) are divided between:

- *the development of human capital (measurement of the creation of management value);*
- *measurement of value creation for internal or external customers;*
- *measurement of societal value creation, in line with Crédit Agricole S.A.'s mutualist and ethical identity.*

The total compensation is then treated as follows:

- *40% is deferred: this portion vests in three equal amounts in N+2, N+3 and N+4, subject to the fulfilment of performance conditions (see details at next point);*
- *10% is paid in cash indexed to the Crédit Agricole S.A. share price at the end of a six-month holding period, i.e. in September of year N+1;*
- *the remainder of the non-deferred variable compensation, i.e. 50%, is paid in cash in March of year N+1.*

(2) Deferred compensation awarded in cash indexed to the Crédit Agricole S.A. share, the vesting of which is progressively deferred over a period of three years and is conditional on the attainment of three performance targets:

- *the intrinsic financial performance of Crédit Agricole S.A. defined as growth of the gross operating income of Crédit Agricole S.A. increased by the Group share of equity-accounted net income;*
- *the relative performance of Crédit Agricole S.A. shares compared to a composite index of European banks (Euro Stoxx Banks);*
- *the societal performance of Crédit Agricole S.A. measured by the FReD index. the index is assessed by means of measurement on the basis of progress achieved by CSR projects (the assessment is certified by PricewaterhouseCoopers).*

For each target, the Board of Directors records a level of achievement between 0% and 120% of the target which it has previously set. Each year, the overall percentage achievement of deferred and conditional variable compensation is the average percentage achieved for each target, capped at 100%.

(3) Net amounts, after the following deductions are made from the sums payable to individual beneficiaries resident in France: income tax prepayment (21%) and social contributions (15.50%). Frédéric Thomas waived his director's fees.

(4) Use of a company car.

RETIREMENT PLANS FOR EXECUTIVE CORPORATE OFFICERS

General principles

Frédéric Thomas, Chief Executive Officer of Crédit Agricole Assurances appointed with effect from 1 September 2015, is not eligible for a pension scheme specific to corporate officers.

Frédéric Thomas, as an employee of Crédit Agricole S.A., is member of a general supplementary pension scheme for Crédit Agricole Group executive managers. Crédit Agricole S.A. joined the scheme in January 2010 when it introduced its own pension arrangements adopted by collective company agreement in accordance with Article L. 911-1 of the French Social Security Code.

The plans currently in force are a combination of a defined-contribution plan and a defined-benefit plan. The rights to the top-up defined-benefit plan are determined after the rights paid under the defined-contribution plan:

- contributions to the defined-contribution plan equal 8% of the gross monthly salary capped at eight times the social security cap (of which 3% is paid by the Executive Corporate Officer);
- on the condition that the beneficiary is a Corporate Officer or an employee when exercising his pension entitlements, additional entitlements under the defined-benefit plan for each year of service represent 1.20% of the reference salary, capped at 36% of the reference salary.

In any event, on liquidation, the total pension is capped, taking into account all company pension schemes and compulsory basic and supplementary schemes, at 70% of the reference compensation under the supplementary pension scheme rules for executive managers of Crédit Agricole SA.

The rights established by the Group prior to the effective date of the rules in effect are maintained and, if applicable, added to the rights resulting from application of the rules in effect, notably for the calculation of the ceiling for the annuity paid.

The reference salary is defined as the average of the three highest gross annual compensations received during the last ten years of activity within Crédit Agricole entities, including both fixed compensation and variable compensation, the latter being taken into account up to a ceiling of 60% of fixed compensation.

The supplementary defined-benefit pension scheme in place for Executive Corporate Officers meets the recommendations set out in the AFEP/MEDEF Code and the provisions of Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities and Article L. 225-42-1 of the French Commercial Code relating to the vesting of conditional annual supplementary defined-benefit pension rights:

- the group of potential beneficiaries is substantially broader than Executive Corporate Officers alone;
- minimum length of service: five years (the Code requires only two years'service);
- progressiveness: 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. a required maximum rate of 3%);
- estimated supplementary pension below the aforementioned ceiling of 45% of fixed and variable compensation due in respect of the reference period;
- obligation for the beneficiary to be a Corporate Officer or salaried executive manager when exercising his or her pension rights.

The management of this defined-benefit plan 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.

Individual rights

Supplementary pension scheme

Frédéric THOMAS,

Chief Executive Officer of Crédit Agricole Assurances

No supplementary retirement benefit is payable to Frédéric Thomas in respect of 2018.

Frédéric Thomas is beneficiary of the supplementary pension scheme for executive managers of Crédit Agricole Group, which supplements the collective and mandatory pension and death & disability schemes.

Up to 31 December 2018, Frédéric Thomas had accrued 36 years and 8 months'employment for the purposes of the supplementary pension schemes of the Crédit Agricole S.A. Group.

In view of this length of service and in accordance with the rules of the supplementary pension scheme of the Crédit Agricole S.A. Group, at 31 December 2018, Frédéric Thomas had reached the maximum defined-benefits vesting rate of 70%, all schemes combined.

Accordingly, the provisions of Article L. 225-42-1 of the French Commercial Code, as amended by Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, concerning the application of performance conditions to the annual vesting of supplementary pension rights, do not apply.

In accordance with the provisions of Article L 225-37-3 of the French Commercial Code, as amended by Act No. 2015-990 of 6 August 2015 for growth, activity and equal economic opportunities, Frédéric Thomas'estimated annual and conditional individual supplementary pension entitlements as at 31 December 2018 break down as:

- a life annuity under a defined-contribution supplementary pension, estimated at €4 thousand gross;
- a life annuity under a defined-benefit supplementary pension, estimated at €330 thousand gross.

The published estimated amounts are the gross amounts before taxes and social security charges applicable at the closing 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 plan.

At 31 December 2018, there is no increase of estimated defined-benefits from the defined-benefit supplementary pension scheme (expressed as a percentage of the reference compensation), compared with 31 December 2017.

On this basis, the provisions of Article L. 225-42-1 of the French Commercial Code (*Code de Commerce*), modified within the framework of French law n° 2015-990 dated 6 August 2015 for growth, activity and equal economic opportunities, limiting the annual growth of conditional rights to 3%, is thus observed.

The uncertain entitlements under the defined-benefit supplementary pension plans are subject to continued employment conditions at retirement.

STATUTORY AUDITOR'S REPORT ON RELATED PARTY AGREEMENTS AND COMMITMENTS

This is a free 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 of Shareholders to approve the financial statements for the year ended 31 December 2018.

To the Annual General Meeting of Crédit Agricole Assurances,

In our capacity as statutory auditors of your Company, we hereby present to you our report on related party agreements and commitments.

We are required to inform you, on the basis of the information provided to us, of the terms and conditions of those agreements and commitments 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 and commitments. 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 and commitments 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 31 December 2018, of the agreements and commitments 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.

Agreements and commitments submitted for approval to the Annual General Meeting

We hereby inform you that we have not been notified of any agreements or commitments authorized during the year ended 31 December 2018 to be submitted to the Annual General Meeting for approval in accordance with Article L. 225-38 of the French Commercial Code (*Code de commerce*).

Agreements and commitments already approved by the Annual General Meeting

We hereby inform you that we have not been notified of any agreements or commitments previously approved by the Annual General Meeting, whose implementation continued during the year ended 31 December 2018.

Neuilly-sur-Seine and Paris La Défense, 20 March 2019

The statutory auditors

French original signed by

PricewaterhouseCoopers Audit		**ERNST & YOUNG et Autres**	
Anik Chaumartin	Frédéric Trouillard-Mignen	Olivier Durand	Olivier Drion

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2018 OPERATING AND FINANCIAL REVIEW

BUSINESS ACTIVITY AND INFORMATION ON THE CRÉDIT AGRICOLE ASSURANCES GROUP

PRESENTATION OF THE CRÉDIT AGRICOLE ASSURANCES GROUP FINANCIAL STATEMENTS

Changes to accounting policies and principles

Note 1 to Crédit Agricole Assurances Group's consolidated financial statements at 31 December 2018, entitled "Accounting principles and policies applied to the Crédit Agricole Assurances Group, judgments and estimates used" sets out the regulatory framework as well as comparability with data for the previous financial year.

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 2018 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 2017.

They have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2018 and that must be applied for the first time in 2018. Details are given in the note 1 to Crédit Agricole Assurances Group's consolidated financial statements.

Changes in the scope of consolidation

Note 10 to Crédit Agricole Assurances Group's consolidated financial statements present the scope of consolidation and changes thereto, respectively, throughout the financial year.

ECONOMIC AND FINANCIAL ENVIRONMENT

Despite tighter monetary and financial conditions in the US, the latter's protectionist approach to trade, a highly volatile oil price (which registered an increase on average over the year)[1] and political and geopolitical tensions, the global economy continued to progress at a steady pace. This dynamic trend did not give rise to imbalances (inflation and external deficits) usually fuelled by strong growth and which traditionally signal an imminent downturn. Price formation (previously the close link between falling unemployment and rising wages) was transformed by structural factors (expansion of the tertiary sector, "uberisation" of the economy, increased competition), hence inflation remained low. The depth of the 2008 financial crisis was also a factor hindering the development of patent imbalances, notably in the form of inflation. However, the synchronous acceleration of growth in the major zones disappeared. Growth in the US remained strong, but there were signs of a gradual weakening in the Eurozone, and further still in emerging countries.

The United States continued to register a steady pace of high economic growth (2.8% after 2.2% in 2017) driven by household consumption, the recovery, albeit disappointing, in investment, and

(1) At the start of 2018, the Brent price stood at 67 US dollars a barrel, and peaked at 86 dollars in early October before plummeting to 53 dollars at the end of December. Over the first nine months, the increase was fuelled by production cuts by OPEC, a collapse in production in Venezuela and the return of US sanctions on Iranian oil exports. A temporary halt in production cuts by OPEC and Russia combined with a sharp increase in production in the US sparked a tumble in the price during the last quarter of 2018. On average Brent reached 71 dollars a barrel over the year (versus 54 dollars a barrel in 2017).

"over-stimulation" by a substantial but equally untimely budget plan. Fiscal stimulus measures added +0.8 percentage points of growth in 2018 (with estimated additional growth in 2019 of +0.6 percentage points). Bolstered by tax savings at a time when the economy operated at full capacity, the cycle, although mature, had yet to peak. The current cycle, which started in June 2009, has already seen 114 consecutive months of growth, versus records of 106 months and 119 months in the early 1960s and 1990s respectively. Although growth surpassed its potential rate (2%) and unemployment (3.7% versus a peak of 10% in October 2009) fell below the equilibrium level (according to the Federal Reserve, at a rate of 4.5% the economy is at full employment), headline inflation did not rise significantly (annual average of 2.4% after 2.1% in 2017). The Federal Reserve continued its cycle of monetary tightening. It introduced four 25bp rate hikes in its policy rate, bringing it to 2.50% at the end of 2018. Since the start of monetary tightening in December 2015, the Fed Funds rate has increased by 225bp. The Federal Reserve also continued quantitative tightening (a gradual reduction in its balance sheet). This more restrictive approach led to a significant rise in short term rates, incorporating continued monetary tightening (2-year sovereign yields rose by 75bp over the year, reaching 2.65% at year-end). Despite a period slightly above 3%, long rates did not "overreact". Without any clear inflation risk or strong inflationary anticipations, and profiting from bouts of strong aversion to risk, they increased by only around 30 basis points over the year to just 2.8% at the end of December, leading to a marked flattening of the yield curve.

In the Eurozone, growth dipped in the first quarter of 2018 (2.5% year-on-year after 2.7% at the end of 2017) on foot of destocking (the restocking process had proved excessive) and temporary disruptions such as strikes, weather effects, and the timing effect of tax measures in France. This decline raised several questions to which exaggeratedly pessimistic if not alarming responses were frequently given, even though the fundamentals remained solid, suggesting it was a temporary phenomenon. Households and businesses alike continued to consolidate their financial positions while also maintaining strong expenditure. Growth in wages and disposable income underpinned household consumption (at the cost of a slight fall in the savings rate) while good profit trends enabled an acceleration of investment expenditure and an increase in the investment rate. Anticipations were that economic growth would evolve gradually closer to its potential rate (estimated at 1.5%), therefore still a normal trajectory, *i.e.* slowing from an annual rate of 2.8% at its 2017 peak to 2.2% in spring 2018. After the summer, the slowdown amplified and despite the publication of positive data, surveys revealed a deterioration in sentiment. Threats of protectionism by Donald Trump created a climate of uncertainty and a wait-and-see approach that was not conducive to investment. In the meantime, the appointment of a populist government in Italy created fresh shock waves in Europe. The ramp-up of trade tension and the Italian political crisis weighed heavily on Europe's financial markets. GDP fell to 1.6% year-on-year in the third quarter after 2.2% in the second quarter. Temporary factors linked to new European standards caused disruption in the automotive sector, but a catch-up is expected. Despite such jolts, exaggerated fears of a possible drastic and imminent downturn in the cycle and weaker foreign demand, growth had the potential to reach 1.9% in 2018 versus 2.6% in 2017: a commendable rate that would not fuel inflation (1.6% after 1.5% in 2017). The European Central Bank (ECB) thus prolonged its quantitative easing programme until December 2018 (after which it said it would discontinue its net purchases) while reducing the monthly amount of its sovereign security purchases (from 30 billion euros to 15 billion euros starting in September 2018). Despite monetary tightening in the US and the implementation of a gradually less accommodative monetary policy, core European rates did not suffer. After increasing to nearly 0.8% at the end of February (rising by 35 basis points in two months), German 10-year yields began to fall again, reaching a low of 0.25% at the height of the Italian political crisis. After small spikes while remaining weak, they moved back to 0.2% at the end of December, taking advantage of a surge in aversion to risk caused by US protectionist policies as well as uncertainties around the extent of the economic slowdown (actual data and announcements). French and Italian yields evolved in line with internal political developments: at the end of December the spread between French yields and the Bund was close to 45bp, *i.e.* 10-15bp more than before the start of the "yellow vest" crisis, while the spread in relation to Italian yields tightened to less than 260bp versus a peak of 320bp at end-November during the height of the contentious budget negotiations with the European Commission. After strong losses in December, both the European and US equity markets registered a decline over the year (Eurostoxx 50 and S&P 500 down by nearly 15% and 8.5% respectively). Finally, although it is generally deemed undervalued but exposed to bouts of risk aversion, the euro depreciated by nearly 5% against the US dollar in 2018.

CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED RESULTS

Crédit Agricole Assurances Group results

(in € millions)	2018	2017	Changes
Written premiums	33,534	30,426	10.2%
Change in unearned premiums	(210)	(213)	(1.4%)
Earned premiums	33,324	30,213	10.3%
Gross revenues or income from other activities	252	119	x 2.1
Investment income after expenses	2,453	11,697	(79.1%)
Claims paid	(29,551)	(35,877)	(17.6%)
Net income (expense) on business ceded to reinsurers	(90)	(129)	(30.2%)
Other current income (expense)	(4,092)	(3,948)	3.6%
Operating income	**2,296**	**2,076**	**10.4%**
Financing costs	(429)	(279)	53.8%
Income tax charge	(523)	(462)	13.2%
Profit/loss after-tax on discontinued operations	(1)	21	NS
Consolidated net income	**1,341**	**1,356**	**(1.1%)**
Non-controlling interests	(11)	(4)	x 2.8
CRÉDIT AGRICOLE ASSURANCES GROUP NET INCOME GROUP SHARE	**1,331**	**1,352**	**(1.6%)**

The year 2018 shows a strong rise in written premiums (+10.2%), with a gross revenue of €33.5 billion at the end of 2018. The breakdown by lines of businesses is detailed in the section below entitled "gross revenues by business segment".

Investment income after expenses was down 79.1%, mainly due to the change in fair value of investments recognised at fair value through profit or loss following the adverse trends in the financial markets, in particular in the final quarter of 2018.

Claims paid were down 17.6%:

- in life insurance, business continued to grow with outstandings under management up by 2.4% over the year to €285.2 billion. In addition, the Group pursued its policy of strengthening its reserves, notably by allocating approximately €855 million to the policyholders'participation reserve in 2018;
- in non-life insurance, growth momentum continued both in France and international (686 thousand net new contracts in 2018). Revenues in France continued to outperform the market, with growth of about 8%.

Other current expenses rose in line with business. This item mainly comprises administrative expenses and contract acquisition costs.

The 53.8% increase in financing costs was mainly due to the payment to Crédit Agricole S.A. of a cash balance of €174 million before tax related to the early redemption of a €320 million perpetual subordinated debt issue and two redeemable subordinated debts totalling €680 million. These redemptions followed a new €1 billion issue of perpetual subordinated bonds on the market in January 2018.

The income tax charge was up relative to 2017, mainly due to disposals of the life insurance investment portfolio at a reduced tax rate in 2017.

Net income (Group share) in 2018 was high at €1.3 billion, although down slightly by €21 million compared with 2017. Restated from the cash balance paid to Crédit Agricole S.A. (€138 million net of tax), net income Group share was up 8.7% compared with 2017.

The breakdown in net income and gross revenues shown below is done on the same basis as the segment breakdown presented in note 5 to the crédit agricole assurances consolidated financial statements, in accordance with IFRS 8.

BREAKDOWN OF NET INCOME (GROUP SHARE) BY BUSINESS SEGMENT

(in € millions)	2018	2017	Changes
Life, France	1,242	1,062	16.9%
Non-life, France	144	136	5.9%
Creditors (France and International)	12	46	(73.9%)
International (excluding creditors)	62	44	40.9%
Other	(129)	65	NS
CRÉDIT AGRICOLE ASSURANCES GROUP	**1,331**	**1,352**	**(1.6%)**

Crédit Agricole Assurances net income Group share in 2018 breaks down as follows:

- net income from life insurance in France increased by 16.9% to €1,242 million, in connection with the sustained growth of the business and with the decrease of general expenses, benefiting from a favorable basis in comparison to 2017 (which was marked by exceptional IT depreciation);
- net income from non-life insurance in France rose from €136 million in 2017 to €144 million in 2018, despite the number of severe weather events;
- net income from creditor insurance amounted to €12 million;
- net income from international insurance (excluding creditor) rose by €18 million to €62 million, driven by growth in international business, in particular in Italy;
- "Other" amounting to –€128 million mainly comprised the one-off payment of a cash balance to Crédit Agricole S.A. following the early redemption of a perpetual subordinated note issue and two redeemable subordinated note issues, whilst 2017 had seen the recognition of capital gains (in particular €30 million on the sale of Care, a reinsurance subsidiary).

GROSS REVENUES BY BUSINESS SEGMENT [1]

	IFRS	
(in € billions)	2018	2017
Life, France (including intragroup)	21.8	20.9
Non-life, France	4.2	3.9
Creditors (France and International)	1.1	1.1
International (excluding creditors)	6.5	4.6
Other	-	-
CRÉDIT AGRICOLE ASSURANCES GROUP	**33.5**	**30.4**

(1) Gross revenues are presented after eliminating intragroup entries.

IFRS revenues amounted to €33.5 billion in 2018, an increase of 10.2% compared with 2017, driven by growth in international business in all business lines.

Life insurance revenues in France totalled €21.8 billion, up by around 4.3% compared with 2017. Growth was driven by gross unit-linked inflows, which rose by 12.6% in 2018. Net inflows were up 69% to €7.3 billion.

Crédit Agricole Assurances Group continued to grow in the property and liability insurance market in France, with revenues amounting to €4.2 billion, an increase of approximately 7.7% compared with 2017, significantly outperforming the market.

Creditor insurance revenues in France and International totalled €1.1 billion in 2018, stable compared with 2017.

International revenues (excluding creditor insurance) amounted to €6.5 billion in 2018, an increase of 4% driven mainly by business growth in Italy.

The main contributors to international revenues were:

- Italy (around 49% of premiums abroad), in particular for life insurance;
- Luxembourg (around 47% of premiums abroad).

A breakdown in premiums between France and International is available in note 7.1 to Crédit Agricole Assurances Group's consolidated financial statements.

CRÉDIT AGRICOLE ASSURANCES GROUP CONSOLIDATED SHEET

The figures at 1 January 2018 correspond to the opening balance sheet on the date of first application of IFRS 9 on financial instruments (additional disclosures are provided in note 1 to Crédit Agricole Assurances Group's consolidated financial statements).

Assets

(in € millions)	31/12/2018	01/01/2018	31/12/2017
Intangible assets	1,165	1,136	1,136
Insurance business investments	369,400	366,572	364,050
Including UL financial assets	59,643	59,635	59,635
Share of transferees and retrocessionnaires in liabilities relating to insurance and financial contracts	1,822	1,651	1,651
Other assets	8,513	8,007	8,008
Assets held for sale including discontinued operations	257	265	265
Cash and cash equivalents	1,365	1,897	1,898
TOTAL ASSETS	**382,523**	**379,527**	**377,008**

Crédit Agricole Assurances Group's insurance investments amounted to €369 billion at 31 December 2018, up by 1.5% compared with 2017. This growth was driven principally by positive net inflows in Savings in 2018, although the positive volume effect was mitigated by the adverse trends in the financial markets, particularly in the final quarter of 2018.

These investments were split as follows:

- 58% in financial assets at fair value through OCI and 22% of financial assets at fair value through profit or loss of the general fund;
- 16% in investments representing unit-linked contracts;
- 2% in investment properties, 1% in financial assets at amortised cost and derivative financial instruments, and finally 1% in investments in associates and joint ventures.

Approximately 81% of fixed income securities (excluding unit-linked business) have a financial rating of at least A.

Liabilities

(in € millions)	31/12/2018	01/01/2018	31/12/2017
Crédit Agricole Assurances equity, Group share	14,896	16,146	15,835
Minority interests	103	98	98
Total equity	**14,999**	**16,244**	**15,933**
Liabilities related to insurance policies and financial contracts	324,553	323,272	321,174
including liabilities related to UL	59,921	59,663	59,663
Provisions for risks and expenses	143	162	162
Financing debts	6,491	6,827	6,827
Other liabilities	36,109	32,790	32,681
Liabilities held for sale including discontinued operations	229	231	231
TOTAL EQUITY AND LIABILITIES	**382,523**	**379,527**	**377,008**

Equity attributable to the Crédit Agricole Assurances Group amounted to €15.0 billion at 31 December 2018, a decrease of €0.9 billion compared with 2017, due mainly to:

- a positive impact of €0.3 billion of the first time application of IFRS 9;
- net losses of €0.7 billion recognised directly through equity, corresponding mainly to changes in unrealised gains and losses recognised through equity;
- the payment of the final dividend for the year 2017: negative impact of €0.4 billion.

On 31 December 2018, insurance and financial contract liabilities amounted to €325 billion, comprising:

- €225.3 billion (*i.e.* 69% of liabilities related to insurance policies and financial contracts) in technical liabilities for life insurance (excluding provisions for profit-sharing);
- €9.9 billion in provisions for profit-sharing;
- liabilities related to unit-linked contracts/policies for €59.9 billion (*i.e.* 18% of liabilities related to insurance policies and financial contracts);
- €16.2 billion in provisions for deferred profit-sharing (liability);
- €8.4 billion in non-life technical provisions;
- €4.8 billion in other provisions.

Insurance and financial contract liabilities increased by €3.4 billion due to business growth in 2018 and the policy of strengthening reserves.

Financing debts mainly comprised subordinated notes issued to Crédit Agricole Group entities or the market and amounts due to banks and financial institutions. The decrease in 2018 resulted mainly from the issuance and redemption of subordinated notes during the year.

Other liabilities increased by €3.4 billion, mainly due to the change in repurchase agreements and, to a lesser extent, cash.

RELATED PARTIES

The main transactions concluded between related parties, consolidated companies and key executives of Crédit Agricole Assurances Group at 31 December 2018 are described in the section entitled "General framework – information on related parties" of Crédit Agricole Assurances Group's consolidated financial statements.

FEES PAID TO STATUTORY AUDITORS

Total fees of Ernst & Young et Autres, as recorded within the consolidated income statement as of 31 December 2018 and for the year then ended, are €1.5 million, including €1.2 million for the audit of the financial statements of Crédit Agricole Assurances and its French subsidiaries, and €0.3 million for non-audit services (comfort letters, report on the distribution of interim dividends, and work related to the first time application of IFRS 9).

Total fees of PricewaterhouseCoopers Audit, as recorded within the consolidated income statement as of 31 December 2018 and for the year then ended, are €2.1 million, including €1.8 million for the audit of the financial statements of Crédit Agricole Assurances and its French subsidiaries, and €0.3 million for non-audit services (including comfort letters, report on the distribution of interim dividends, and work related to the first time application of IFRS 9).

The amounts indicated above relate solely to the entities of Ernst & Young et Autres and PricewaterhouseCoopers Audit, which are appointed as statutory auditors of Crédit Agricole Assurances. The entities of Ernst & Young et Autres and PricewaterhouseCoopers Audit, which are members of the Ernst & Young et Autres and PricewaterhouseCoopers Audit networks, are not included in this section, whereas they are included in the table of the note 7.7 to the consolidated financial statements of Crédit Agricole Assurances.

RECENT TRENDS AND OUTLOOK

The risks on the horizon are numerous, with various origins and varying consequences and probabilities of occurrence: a trade war and more generally protectionism and doubts around multilateralism, a slowdown in China, the winding down of fiscal stimulus in the US, Brexit, and social and political tension in Europe, France in particular. Although we don't underestimate the uncertainties, we believe economic growth in 2019 will slow down rather than collapse, but we are nevertheless maintaining prudent assumptions. First-of-all we expect the Chinese-US trade war to continue despite recent rumours of a possible hiatus. The US and China's announced agreement at the G20 summit to allow further negotiations for ninety days before threatened tariff increases by the US from 10% to 25% on 200 billion dollars of products imported from China and efforts by China to increase imports from the US is but a temporary truce. It cannot be seen as a prelude to a resolution of the trade conflict between the two sides given their entrenched positions. That said, the US is likely to keep this war confined to China without targeting other victims, such as the European Union. Our scenario also factors in an adjustment of Saudi Arabia's oil supply in line with the market, which will partly offset continued strong production in the US: this would allow the oil price to remain at around 70 US dollars a barrel, but there is a risk of high volatility. The varying degrees of economic slowdown already evident in 2019 come therefore against the backdrop of this trade war and "well behaving" oil prices. While the Eurozone is struggling to catch its breath, Japan is having trouble bolstering domestic demand, Chinese growth is expected to disappoint (in the early part of the year at any rate) despite the government stimulus plan, and the US is likely to see another year of strong growth.

The current cycle, which started in June 2009, is the longest in US history. After peaking at close to 3% in 2018, US growth is starting to slow. But it is likely to remain above potential (2%) at close to 2.6% in 2019. Spontaneous forces (from the production investment cycle notably) are nevertheless fading and monetary and fiscal stimulus are being wound down. As a result, corporate investment should be weaker in 2019. And the outlook for an improvement in housing investment is gloomy. At the end of 2019, when the fiscal stimulus that propelled the cycle well beyond its natural high over two years almost comes to an end, a new more restrictive monetary policy and ongoing US-Chinese trade tensions are likely to herald the end of a period of exceptionally strong and lasting growth. The risk of a recession hangs in 2020.

In the Eurozone, while growth is being underpinned by an accommodative monetary policy and the budgetary policy, still strong fundamentals signal the maturing of the cycle, although no change is imminent yet. Fears around the strength of growth have changed in nature. The concerns about supply constraints that appeared at the cycle peak at end-2017 have faded. The latter are no longer capable of causing an erosion in margins that would spark a sudden downturn. However, new worries, as revealed in less positive surveys, have emerged which contrast with the good results borne out in the actual data. These are mainly exogenous (and have been raised before), weighing on the outlook for growth in external demand and investment, and suggest a more marked slowdown in growth than would naturally be expected. Our scenario factors in a weakening of growth (1.9% in 2018 followed by 1.6% in 2019, close to its potential level of 1.5%) mainly attributable to growing uncertainties, leading in turn to more cautious investment trends. **In France**, growth should remain close to its 2018 level (1.6% after 1.5% in 2018). The implementation in early 2019 of measures to stimulate purchasing power should underpin household consumption and push growth up by +0.2 percentage point in 2019. However, given the deterioration in economic indicators and growing uncertainty, we have revised down slightly our anticipations for investment and exports. Although we cannot rule out further social unrest, our projection assumes a relative easing of demonstrations by the "yellow vest" movement in 2019. In the United Kingdom, after Parliament's rejection on 15 January of the withdrawal agreement signed by Theresa May and the European Union, the country's economic outlook is highly uncertain. An extension of negotiations beyond 29 March seems increasingly likely if the European Union is in favour. Optimists believe an orderly Brexit is still possible with support from the UK Parliament. However, a no-deal scenario if nothing is done to avoid it by 29 March also looks more likely the nearer the withdrawal date comes. This environment is weighing on the confidence of UK investors and consumers but is not impacting the overall scenario for the Eurozone.

In Japan, the outlook remains gloomy. In December 2018, the "Abenomics" programme of policies reached its seventh year in operation. Exports continue to stimulate growth, while private consumption lags behind. The latter will be further aggravated by a VAT increase scheduled for 2019. After reaching nearly 0.7% in 2018, growth is expected at just 0.6% in 2019.

Finally, after a difficult year in 2018 that saw the **emerging** financial markets (foreign exchange markets in particular) in turmoil, economic growth in those countries is likely to continue slowing to roughly 4.1% after reaching around 4.4% in 2018. 2019 looks very uncertain both in terms of growth and the markets, particularly given that **China** could be a specific source of volatility in the early part of the year. Like other emerging countries, China suffered a slowdown, which its specific efforts to reduce its debt are amplifying. In 2019, against the backdrop of a trade war, the negative impact on external trade from the imposition of higher trade tariffs by the US will materialise. Since China had ramped up its exports in anticipation of the threatened tariff increases in January 2019, exports could slow in early 2019. Policy makers have thus far responded to the decline with a series of budgetary and monetary measures and moves to stimulate credit. But they have been careful not to overreact and aggravate the internal debt problem. Before those stimulus measures fully take effect, activity could dip during the initial months and raise concerns of an aggravation of the economic slowdown. Over full year 2019, however, growth could edge close to 6.4%, registering just a small and painless decline in relation to 2018 (around 6.6%).

Monetary policy in 2019 is likely to be prudent in light of the slowdown while inflation, which would normally be reaching the end of its cycle, is not likely to show any obvious signs of change, such is the distended nature of the link between wages and prices. In the US, while headline inflation has fallen on average (from 2.4% to 1.8%), inflation as measured by the central bank (expected at 2.1%) is likely to largely surpass the target level. Given the downward revision to the Fed Funds target rate (2.75%) in particular, the Federal Reserve can pursue monetary tightening at its ease. As it is more dependent on economic data, and thus more uncertain, US monetary policy is only likely to be tightened around the end of 2019. We are projecting two 25bp increases in the Fed Funds rate, bringing it to 3% at the end of 2019. Where the ECB is concerned, the end of its quantitative easing programme (end of its net purchases under the Expanded Asset Purchase Programme since January 2019) signals just the beginning of normalisation. This preliminary stage does not in any way signify that monetary policy will become much less accommodative. Although the ECB says it is confident that inflation will recover, convergence with the 2% target seems highly uncertain. The prospects for a recovery are tenuous: headline inflation (1.6% at end-2018 and core inflation of 1%) could decrease in 2019 (1.2% at end-2019 and core inflation of 1%) and fall as low as 0.6%/0.7% at the end of the summer. With inflation low and under control, and few traditional tools to hand, the ECB is left somewhat helpless. In addition to its commitment to keep interest rates low for a long period (even if a symbolic increase in the deposit rate from –0.40% to –0.25% is possible mid-way through the year), the ECB could announce a new series of LTRO in March, which would come into effect in June. The Eurozone economy is still in need of an accommodative monetary policy.

The end of the cycle looks like it will not bring with it unmanageable inflationary pressures; the central banks remain prudent; monetary tightening, whether actual measures or just announcements, will be gradual; and finally, several economic and political uncertainties that could cause a drastic surge in risk aversion are obscuring the horizon. Risky assets (equities, corporate bonds, emerging markets) are thus more vulnerable. This context is nevertheless conducive to a very modest rise in long-term risk-free rates, but accompanied by high volatility. Our scenario factors in US and German 10-year rates close to 3.3% and 0.6% respectively at the end of 2019. As regards the risk premiums offered by French and Italian sovereign bonds in relation to the Bund, we put these at close to 30bp and 240bp respectively at the end of 2019.

For Crédit Agricole Assurances Group

Largest insurer in France[1], Crédit Agricole Assurances keeps growing for the customers' satisfaction, with the support of the Crédit Agricole Group's distribution networks in France and in Europe, through an integrated bancassurance model.

In accordance with the strategic lines presented in March 2016, when Crédit Agricole Group initiated its medium term plan Ambitions 2020, Crédit Agricole Assurances is focusing on unit-linked business, death & disability and property & casualty insurance to improve its product mix.

Moreover, Crédit Agricole Group continued to harness synergies, particularly with the finalisation of the insourcing of creditor insurance contracts distributed by the Crédit Agricole Regional Banks (gradual insourcing of new business by Crédit Agricole Assurances from September 2017 to April 2018).

Subsequent events

Sale of CA Life Greece:

The sales contract signed on 7 July 2018 was sent for finalisation at the end of August to the regulator. On 21 January 2019, the sales process with the identified purchaser was interrupted. Yet, plans to sell remain unchanged and the search for a new buyer for the entity or its portfolios is still in progress, therefore CA Life Greece was maintained in IFRS 5 in the consolidated financial statements as of 31 December 2018.

(1) Source: l'Argus de l'assurance, 21 December 2018, data at end-2017.

CRÉDIT AGRICOLE ASSURANCES S.A. FINANCIAL STATEMENTS

Crédit Agricole Assurances S.A.'s Financial Statements are prepared using French standards.

CRÉDIT AGRICOLE ASSURANCES S.A. CONDENSED BALANCE SHEET

Assets

(in € millions)	31/12/2018	31/12/2017	Changes
Intangible assets and property, plant & equipment	3	5	(40.0%)
Financial assets	16,044	16,217	(1.1%)
Current assets	1,278	1,203	6.2%
Accruals and deferred income	19	17	11.8%
TOTAL ASSETS	**17,344**	**17,441**	**(0.6%)**

Total assets amounted to €17.3 billion on 31 December 2018, a slight decrease (-0.6%), reflecting the opposite evolution of financial assets since the end of 2017.

The 1.1% decrease in the financial assets from €16.2 billion at end-2017 to €16.0 billion at end-2018, was related for the main part:

- to a €281 million increase in equity investments, following new acquisitions over the year (Creditto Valtellinese, Stelvio Agenzia Assicurativa, Optisantis et GNB Seguros for €129 million), and also capital increases as well as payments of dividends in shares carried out by some subsidiaries of Crédit Agricole Assurances for €130 million;
- to a €453 million decrease in receivables relating to equity investments, following mainly the repayment by Crédit Agricole Assurances of several subordinated loans provided to subsidiaries.

Current assets mostly consist of marketable securities, but also of other receivables, up by €75 million from 2017 to 2018, and which are mainly composed of group receivables and receivables from the State.

Liabilities

(in € millions)	31/12/2018	31/12/2017	Changes
Share capital and reserves	9,103	9,585	(5.0%)
Net income/(loss) for the year	1,592	730	x 2.2
Interim dividend (financial year in progress)	(569)	-	NS
Total equity	**10,126**	**10,315**	**(1.8%)**
Other equity	1,745	1,745	0.0%
Financing debts	4,089	4,428	(7.7%)
Provisions for risks and expenses	2	4	(50.0%)
Debt to credit institutions	1,267	846	49.8%
Other liabilities	117	104	12.5%
TOTAL EQUITY AND LIABILITIES	**17,344**	**17,441**	**(0.6%)**

Changes in equity in 2018 were driven by:

- the 2018 financial year's social profit for an amount of 1,592 million euros;
- the accounting in retained earnings of the undistributed earnings for the year 2017, which amounted to €89 million;
- the payments of dividends of €1,212 million to Crédit Agricole S.A. for the year 2017, and the payment of an interim dividend of €569 million for the year 2018.

Other equity, which accounts for €1.7 billion, refers to two subordinated bonds of €750 million and €1 billion issued on 14 October 2014 and 13 January 2015 respectively.

The 7.7% decrease of financial debts is mostly due to the repayment of several redeemable subordinated bonds in December 2018 for €360 million. In addition, Crédit Agricole Assurance proceeded to the repayments of one perpetual subordinated bond of €320 million and of two redeemable subordinated bonds of €680 million. These repayments followed a new issue of a subordinated bond on the market of an amount of €1 billion in January 2018.

The €421 million decrease of the debts to credit institutions was mostly due to the take out of four new loans for €229 million (mainly within the Group Crédit Agricole) and by the variation of cash.

Accounts payable by due date

In accordance with article L. 441-6-1 and D. 441-4 of the French Commercial Code, Crédit Agricole Assurances S.A. presents the amounts due to suppliers in its management report.

At 31 December 2018, the balance of these accounts amounted to €0.1 million including VAT, and to €0.1 million before taxes. As indicated in the table below, the balance is composed of 4 invoices for which the due date is less than 31 days at 31 December 2018.

Crédit Agricole Assurances S.A paid its suppliers within 79.6 days in average in 2018.

	Article D. 441 I.-1°: received unpaid invoices at year-end which are in arrears						Article D. 441 I.-2°: issued unpaid invoices at year-end which are in arrears					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payments'instalments												
Cumulative number of corresponding invoices	0					4	1					7
Cumulative amount of corresponding invoices ex.taxes (millions of euros)	0,0	0,1	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,1	0,0	0,1
Percentage of the total amount of the fiscal year purchases ex. taxes	0%	94%	0%	0%	6%	100%						
Percentage of the fiscal year total premiuns ex. taxes							0%	0%	0%	44%	0%	44%
(B) Invoices excluded from (A) relatives to contentious or unrecognized liabilities and receivables												
Number of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
(C) References terms of payment used (contractual or legal terms – article L. 441-6 or article L. 443-1 of the French Commercial Code)												
Terms of payment used to calculate the late payments	▶ Contractual terms ▶ Legal terms: 60 days						▶ Contractual terms: 30 days ▶ Legal terms					

	Article D. 441 –II: received invoices for which a late payment occured during the year						Article D. 441 –II: issued invoices for which a late payment occured during the year					
	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)	0 day	1 to 30 days	31 to 60 days	61 to 90 days	91 days and more	Total (1 day and more)
(A) Late payments'instalments												
Cumulative number of corresponding invoices	516					362	17					58
Cumulative amount of corresponding invoices ex.taxes (millions of euros)	47	4	7	1	1	14	19	1	6	1	2	9
Percentage of the total amount ex.taxes of the invoices received in the year	77%	7%	11%	2%	2%	23%						
Percentage of the total amount ex.taxes of the invoices issued in the year							77%	2%	23%	4%	6%	36%
(B) Invoices excluded from (A) relatives to contentious or unrecognized liabilities and receivables												
Number of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
Total amount of excluded invoices	-	-	-	-	-	-	-	-	-	-	-	-
(C) References terms of payment used (contractual or legal terms – article L. 441-6 or article L. 443-1 of the French Commercial Code)												
Terms of payment used to calculate the late payments	▶ Contractual terms ▶ Legal terms: 60 days						▶ Contractual terms: 30 days ▶ Legal terms					

CRÉDIT AGRICOLE ASSURANCES S.A. CONDENSED INCOME STATEMENT

(in € millions)	2018	2017	Changes
Operating income	5	30	(83.3%)
Operating expenses	(64)	(95)	(32.6%)
Operating income (1)	**(59)**	**(65)**	**(9.2%)**
Financial income	2,112	1,054	x 2.0
Financial expenses	(515)	(361)	42.7%
Net financial income (2)	**1,596**	**693**	**x 2.3**
Net extraordinary items (3)	**19**	**106**	**(82.1%)**
Income tax and other (4)	36	(5)	NS
NET INCOME (1)+(2)+(3)+(4)	**1,592**	**730**	**X 2.2**

On 31 December 2018, Crédit Agricole Assurances reported a net income up by €862 million to €1.6 billion, reflecting the movement in net financial income:

- the strong rise in financial income is mainly due to the fact that some subsidiaries did not pay an interim dividend at the end of 2017, which lead them to pay their total dividends in respect of the 2017 financial year between March and June 2018;
- the financial expenses increased by 42.7%, which mostly results from the payment of a balance payment of €174 million following the early repayment of subordinated debts after the issue on the market by Crédit Agricole Assurances of a new subordinated bond in January 2018.

The €36 million income tax profit recorded in 2018 corresponds to a receivable against Crédit Agricole S.A. as part of the tax consolidation convention signed in 2015, following the payment of the €174 million balance to Crédit Agricole S.A.

FIVE YEAR FINANCIAL SUMMARY

(in euros)	2014	2015	2016	2017	2018
Share capital at the end of the financial year	**1,448,754,700**	**1,448,754,700**	**1,490,403,670**	**1,490,403,670**	**1,490,403,670**
Number of shares outstanding	144,875,470	144,875,470	149,040,367	149,040,367	149,040,367
Net income & other comprehensive income from transactions					
Gross revenues excluding taxes	26,592,265	25,516,615	28,419,191	16,178,014	335,792
Earnings before tax, depreciation, amortization and provision expense	876,018,569	1,004,557,767	1,037,236,933	737,897,850	1,574,833,580
Income tax charge	(152,760)	4,450,746	(2,973,082)	(4,867,089)	36,447,697
Charge to depreciation, amortization and provisions	(18,258,925)	(43,244,820)	(15,767,075)	(3,392,702)	(19,071,820)
Earnings after tax, depreciation, amortization and provision expense	856,086,795	965,763,692	1,018,555,404	729,638,059	1,592,209,458
Distributed earnings	445,364,450	973,753,170	865,683,633	1,211,698,184	569,334,202 (1)
Earnings per share					
Earnings after tax but before depreciation, amortization and provision expense	6.04	6.96	6.94	4.92	10.81
Earnings after tax, depreciation, amortization and provision expense	5.91	6.67	6.83	4.90	10.68
Dividend per share	3.07	6.72	5.54	8.13	3.82
Employees					
Number of employees	241.80	269.17	302.43	69.41 (2)	- (2)
Total payroll for the financial year	22,850,437	25,861,975	28,709,906	12,633,587 (2)	- (2)
Cost of benefits paid during the period (costs and social welfare)	**11,010,889**	**12,388,157**	**13,663,221**	**4,503,867 (2)**	**- (2)**

(1) Corresponds to the interim dividend paid in the fourth quarter of 2018

(2) On 1 April 2017, Crédit Agricole Assurances S. A.'s employees were transferred to Crédit Agricole Assurances Solutions

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RISK FACTORS AND RISK MANAGEMENT PROCEDURES

RISK FACTORS AND RISK MANAGEMENT PROCEDURES

Crédit Agricole Assurances would like to draw attention to the risks described below.

The following description of risks is not exhaustive. Other risks and uncertainties which are currently not known or considered as minor could significantly impact Crédit Agricole Assurances in the future.

The risks described below are inherent in the nature of Crédit Agricole Assurances Group's business as well as in the economic, political, competitive and regulatory environment in which Crédit Agricole Assurances Group operates.

Considering the numerous possibilities and uncertainties related to these risks, Crédit Agricole Assurances is not always able to precisely quantify the impact of these risks. However, several risk management processes, procedures and controls have been implemented in order to continuously monitor and manage these risks, which, nevertheless, have their limits like any control system and cannot protect with absolute certainty against all of the risks described below or losses liable to be generated.

In addition, if the risks described below lead to quantifiable financial losses and/or a potential material liability, these elements are reflected in the Crédit Agricole Assurance Group consolidated financial statements, in accordance with applicable IFRS accounting standards.

RISK FACTORS ASSOCIATED WITH THE FINANCIAL MARKETS, WITH THE STRENGTH OF OUR CREDIT RATING AND WITH THE VALUATION OF ASSETS AND OTHER RELATED ASPECTS

General economic, market and political conditions

The Group's business and operating income are materially affected by conditions in the global financial markets and by economic conditions in France and the other markets where the Group operates. Extreme market events, such as the global financial crisis during 2008 and 2009, have at times led, and could in the future lead to a lack of liquidity, highly volatile markets, a steep depreciation in asset values across all classes, an erosion of investor and public confidence, and a widening of credit spreads. Although markets have stabilized since the global financial crisis, a wide variety of factors continue to negatively impact economic conditions and consumer confidence in France and in the other jurisdictions where the Group does business and contribute to continuing volatility in financial markets. These factors include, among others, concerns over the creditworthiness of certain sovereign issuers, particularly in Europe, the impact of the decision of the United Kingdom to leave the European Union, the strengthening or weakening of foreign currencies against the Euro, the availability and cost of credit, the stability and solvency of certain financial institutions and other companies, the risk of future inflation as well as deflation in certain markets, the intervention of the Central Bank in financial markets, volatile energy costs, and geopolitical issues. These factors may adversely affect liquidity, increase volatility, decrease asset prices, erode confidence and lead to wider credit spreads. Difficult economic conditions could also result in increased unemployment and a severe decline in business across a wide range of industries and regions. These market and economic factors could have a material adverse effect on Crédit Agricole Assurances Group's businesses, operating income, financial condition and liquidity.

Factors such as consumer spending, business investment, government spending, regulation, the volatility and strength of the capital markets or inflation all affect the business and economic environment and, ultimately, Crédit Agricole Assurances Group's activities and the profitability of its business. In an economic downturn characterized by higher unemployment, lower family income, lower corporate earnings, lower business investment and consumer spending, the demand for the Group's financial and insurance products could be adversely affected. In addition, Crédit Agricole Assurances Group may experience an elevated incidence of lapses or surrenders on certain types of policies, lower surrender rates than anticipated on other types of products and the Group's policyholders may choose to defer paying insurance premiums or stop paying insurance premiums altogether. Adverse economic conditions could also lead to declines in the valuation and performance of Crédit Agricole Assurances Group's investment portfolio, including investments in obligations of adversely affected sovereign or corporate issuers, increased credit losses, impairments of goodwill and other long-lived assets, limitations on the recoverability of deferred tax assets, a decline in new business levels and renewals and higher borrowing costs.

In 2018, the Group's life and non-life segments in France accounted for 78% of Crédit Agricole Assurances Group's revenues (IFRS outlook). Given this concentration, a significant deterioration in French economic conditions would have a greater impact on Crédit Agricole Assurances Group's operating income and financial condition than would be the case for a group with more internationally diversified activities.

Economic and financial conditions in Europe

European countries have recently experienced significant disruptions that have affected economic growth. Initially originated by concerns regarding the ability of certain countries in the euro zone to refinance their debt obligations, these disruptions have created uncertainty more generally regarding the near term economic prospects of countries in the European Union, as well as

the quality of debt obligations of sovereign debtors in the European Union. There has also been an indirect impact on financial markets in Europe and worldwide.

In recent years, a number of European sovereigns and major European financial institutions have been downgraded by credit rating agencies in light of the continuing uncertainty stemming from the European debt crisis and future of the Euro, including France, Crédit Agricole Assurances Group's domestic market, The country saw its sovereign obligations downgraded by certain rating agencies in 2011, 2012, 2013, 2014 and 2015, in some cases resulting in the mechanical downgrading of the credit rating by the same agencies of French commercial banks debt issues, including those of the Issuer's parent, Crédit Agricole S.A. S&P currently rates France's sovereign obligations "AA" with a "stable outlook." In addition, the crisis has had a particularly strong impact in certain other European countries where Crédit Agricole Assurances Group operates, including Italy and Portugal. Continuing of this crisis could have a material adverse effect on Crédit Agricole Assurances Group's operating income or financial condition.

Solvency capital ratios of Crédit Agricole Assurances Group and its insurance subsidiaries

Under the Solvency 2 Directive requirements that went into effect on 1 January 2016, Crédit Agricole Assurances Group is required to maintain eligible own funds sufficient to meet solvency capital requirements, calculated in the manner set forth in the applicable rules, which permit calculation based on either a standard formula or an internal model approved by the regulator. Crédit Agricole Assurances Group has chosen the standard approach based on a formula and assumptions proposed by the European Insurance and Occupational Pensions Authority (EIOPA). No transitional measure was used, except for grandfathering clause on subordinated debts.

The Group's solvency capital ratios are sensitive to capital market conditions (including the level of interest rates, the level of equity markets and foreign exchange impacts) as well as a variety of other factors.

Management monitors the solvency capital ratios of Crédit Agricole Assurances Group and its insurance subsidiaries on an on-going basis both for regulatory compliance purposes and to ensure that the Group and its subsidiaries are appropriately positioned from a competitive point of view. Insurance regulators generally have broad discretion in interpreting, applying and enforcing their rules and regulations with respect to solvency and regulatory capital requirements. During periods of extreme financial market turmoil of the type the market has experienced over the recent years, regulators may become more conservative in the interpretation, application and enforcement of these rules which may involve them, for example, imposing increased reserving requirements for certain types of risks, greater liquidity requirements, higher discounts/"haircuts" on certain assets or asset classes, more conservative calculation methodologies or taking other similar measures which may significantly increase regulatory capital requirements.

In the event of a failure by Crédit Agricole Assurances Group and/or any of its insurance subsidiaries to meet the applicable regulatory capital requirements, insurance regulators have broad authority to require or take various regulatory actions including limiting or prohibiting the issuance of new business, prohibiting payment of dividends, and/or, in extreme cases, putting a company into rehabilitation or insolvency proceedings. A failure of any of Crédit Agricole Assurances Group's insurance subsidiaries to meet their regulatory capital requirements and/or a reduction in the level of their regulatory capital that may negatively impact their competitive position may also result in Crédit Agricole Assurances Group deciding to inject significant amounts of new capital into its insurance subsidiaries which could adversely affect Crédit Agricole Assurances Group's liquidity position, operating income and financial position. Regulatory restrictions that inhibit Crédit Agricole Assurances Group's ability to freely move excess capital among its subsidiaries or which otherwise restrict fungibility of the Group's capital resources may, depending on the nature and extent of the restrictions, adversely affect the capital position of the Group's operating insurance subsidiaries which may have a consequent negative impact on Crédit Agricole Assurances Group and the perception of its financial strength. Additional regulatory developments regarding solvency requirements, including further implementing measures under the Solvency II Directive or changes resulting from further efforts by EIOPA to harmonize implementation of the Solvency II Directive, may lead to further changes in the insurance industry's solvency framework and prudential regime as well as associated costs. It is difficult to predict how the regulations resulting from such initiatives and proposals will affect the insurance industry generally or Crédit Agricole Assurances Group's operating income, financial condition and liquidity.

Rating agencies also take into account Crédit Agricole Assurances Group's consolidated capital requirements and the regulatory capital position of its insurance subsidiaries in assessing the Group's financial strength and credit ratings. Rating agencies may, from time to time, make changes to their internal models that may increase or decrease the amount of capital Crédit Agricole Assurances Group must hold in order to maintain its current ratings.

Management has developed various contingency plans designed to ensure that the Group's consolidated capital and the regulatory capital levels of its insurance subsidiaries remain well in excess of regulatory minimum requirements and at levels that leave the Group and its subsidiaries well positioned from a competitive point of view. There can be no assurance, however, that these plans will be effective to achieve their objectives and any failure by Crédit Agricole Assurances Group and/or its insurance subsidiaries to meet minimum regulatory capital requirements and to maintain regulatory capital at competitive levels could have a material adverse effect on the Group's business, liquidity, credit ratings, operating income and financial position.

Losses due to defaults by financial institution counterparties, reinsurers and/or other third parties

Third parties that owe Crédit Agricole Assurances Group money, securities or other assets may not pay or perform under their obligations. These parties include private sector and government (or government-backed) issuers whose securities Crédit Agricole Assurances Group holds in the Group's investment portfolios

(including mortgage-backed, asset-backed, government bonds and other types of securities), borrowers under mortgages and other loans that the Group extends, reinsurers to which the Group has ceded insurance risks, customers, trading counterparties, counterparties under swap and other derivative contracts, other counterparties including brokers and dealers, commercial and investment banks, hedge funds, other investment funds, clearing agents, market exchanges, clearing houses and other financial institutions. Many of Crédit Agricole Assurances Group's transactions with these third parties expose the Group to credit risk in the event of default of the Group's counterparty.

Dependence on Crédit Agricole Group entities to distribute its insurance products and other major services

Crédit Agricole Assurances Group relies primarily on the networks of banks affiliated with the Crédit Agricole Group to distribute its products. As a result, factors affecting the competitive position, reputation or credit quality of the banks in the Crédit Agricole Group could have an adverse effect on Crédit Agricole Assurances Group's revenues, reputation and operating income. Similarly, in countries where the Crédit Agricole Assurances Group distributes its products primarily through other partner banks, factors affecting the reputation, performance or credit quality of those banks could have an adverse impact on sales of the Group's products through those channels.

In addition to the distribution of its products, Crédit Agricole Assurances Group has also entered into contractual outsourcing arrangements with members of the Crédit Agricole Group and other third-party service providers for a certain other services required in connection with the day-to-day operation of Crédit Agricole Assurances Group's insurance businesses. Deficiencies in the performance of outsourced services may expose Crédit Agricole Assurances Group to significant operational, financial and reputational risk.

Crédit Agricole Assurances'reliance on its affiliates to provide it with important services may give rise to conflicts of interest. Failure to manage these conflicts of interest appropriately could have a material adverse effect on the Group's reputation, revenues or operating income.

Interest rate and credit spread volatility

Crédit Agricole Assurances Group's exposure to credit spreads is mainly related to market prices and to changes in cash flows, combined with changes in credit spreads. A widening of credit spreads generally leads to a decrease in the value of fixed-income securities held by Crédit Agricole Assurances Group (including derivatives for which Crédit Agricole Assurances Group is exposed to a credit risk) and an increase in income generated by purchasing new fixed-income securities in Crédit Agricole Assurances Group's investment portfolio. Conversely, the tightening of credit spreads generally increases the value of fixed-income securities held by Crédit Agricole Assurances Group and reduces the financial products related to new fixed-income security purchases in Crédit Agricole Assurances Group's investment portfolio.

Changes in interest rates in force could also have a negative effect on Crédit Agricole Assurances Group's business. Crédit Agricole Assurances Group's exposure to interest rate risk is primarily tied to market prices and to changes in cash flows, combined with interest rate fluctuations. Interest rate fluctuations could also negatively impact the value of Crédit Agricole Assurances Group's assets and the Group's ability to make gains or avoid losses when disposing of these assets, which all ultimately affect results.

When interest rates are falling:

- life insurance, savings and retirement products may be relatively more attractive to consumers due to minimum guarantees in these products, resulting in increased premium payments on products with flexible premium features, and a higher percentage of insurance policies and retirement and savings contracts remaining in force from year-to-year, creating asset liability duration mismatches;
- Crédit Agricole Assurances Group may be required to increase provisions for guarantees included in life insurance, retirement and savings contracts, as the guarantees become more valuable to policy holders and surrender and lapse assumptions require updating; and
- Crédit Agricole Assurances Group's earnings may decrease due to a decline in interest earnings on the Group's fixed income investments.

Conversely, when interest rates are rising:

- surrenders of life insurance policies and retirement savings contracts may increase as policyholders choose to forego insurance protection and seek higher investment returns;
- obtaining cash to satisfy these obligations following such surrenders may require Crédit Agricole Assurances Group to liquidate fixed maturity investments at a time when market prices for those assets are depressed because of increases in interest rates which may result in realized investment losses and decrease Crédit Agricole Assurances Group's net income;
- accelerated surrenders may also cause the Group to accelerate amortization of deferred contracts acquisition costs, which would reduce Crédit Agricole Assurances Group's net income;
- Crédit Agricole Assurances Group's fee income may decrease due to a decline in the value of account balances invested in fixed income funds;
- there may be a decrease in the estimated fair value of certain fixed income securities Crédit Agricole Assurances Group holds in the Group's investment portfolios, resulting in reduced levels of unrealized capital gains available to the Group, which could negatively impact the Group's solvency margin position and net income; and
- Crédit Agricole Assurances Group may be required, as an issuer of securities, to pay higher interest rates on debt securities the Group issues in the financial markets from time to time to finance the Group's operations or its regulatory capital requirements, which would increase the Group's interest expenses and reduce the Group's operating income.

Crédit Agricole Assurances Group's mitigation efforts with respect to interest rate risks are primarily focused on maintaining an investment portfolio with diversified maturities that has a weighted

average duration that is approximately equal to the duration of the Group's estimated liability cash flow profile. However, the Group's estimate of the liability cash flow profile may be inaccurate and Crédit Agricole Assurances Group may be forced to liquidate investments prior to maturity at a loss in order to cover the liability. Although the Group takes measures to manage the economic risks of investing in a changing interest rate environment, the Group may not be able to mitigate the interest rate risk of the Group's assets relative to the Group's liabilities.

Volatility in interest rates and credit spreads, individually or in tandem with other factors (such as lack of market liquidity, declines in equity prices and the strengthening or weakening of foreign currencies against the Euro, and/or structural reforms or other changes made to the Euro, the Eurozone or the European Union), could have a material adverse effect on the Group's consolidated results of operations, financial position or cash flows through realized losses, impairments, and changes in unrealized gains and loss positions.

Fluctuations in currency exchange rates

Crédit Agricole Assurances Group publishes its consolidated financial statements in Euros. A portion of the Group's insurance written premiums and financial services revenues, as well as the Group's benefits, claims and other deductions were denominated in currencies other than the Euro. The Group's obligations are denominated either in Euro or other currencies, the value of which is subject to foreign currency exchange rate fluctuations.

While Crédit Agricole Assurances Group seeks to manage its exposure to foreign currency fluctuations through hedging, fluctuations in the exchange rates may have a significant impact on the Group's results of operations, cash flows, shareholders'equity and solvency. For example, a strengthening or weakening of the Euro against the US Dollar and/or certain other currencies may adversely affect the Group's results of operations and the price of its securities. In addition, the currency hedges used by the Group to manage foreign exchange rate risk may significantly impact its cash position.

Sustained increase in the inflation rate in the Group's principal markets

A sustained increase in the inflation rate in Crédit Agricole Assurances Group's principal markets could have multiple impacts on the Group and may negatively affect the Group's business, solvency position and operating income. For example, a sustained increase in the inflation rate may result in an increase in market interest rates, with the consequences noted above. A significant and sustained increase in inflation has historically also been associated with decreased prices for equity securities and sluggish performance of equity markets generally. In addition, in the context of certain property and casualty risks underwritten by impact the Group's insurance subsidiaries a sustained increase in inflation may result in (i) claims inflation (*i.e.* an increase in the amount ultimately paid to settle claims several years after the policy coverage period or event giving rise to the claim), coupled with (ii) an underestimation of corresponding claims reserves at the time of establishment due to a failure to fully anticipate increased inflation and its effect on the amounts ultimately payable to policyholders, and, consequently, (iii) actual claims payments significantly exceeding associated insurance reserves which would negatively impact the Group's operating income. A failure to accurately anticipate higher inflation and factor it into the Group's product pricing assumptions may also underwriting losses which would negatively impact the Group's operating income.

Downgrade in Crédit Agricole Assurances Group's claims paying ability and credit strength ratings

Claims paying ability and credit strength ratings are important factors in establishing the competitive position of insurance companies. Rating agencies review their ratings and rating methodologies on a recurring basis and may change their ratings at any time. Consequently, Crédit Agricole Assurances Group's current ratings may not be maintained in the future.

A downgrade or the potential for a downgrade of the Group's ratings could have a variety of negative impacts including (i) damaging the Group's competitive position, (ii) negatively impacting the Group's ability to underwrite new insurance policies, (iii) increasing the levels of surrenders and termination rates of the Group's in-force policies, (iv) increasing cost of obtaining reinsurance, (v) negatively impacting the Group's ability to obtain financing and/or increasing the Group's cost of financing, (vi) triggering additional collateral requirements under certain agreements to which the Group is party, (vii) harming the Group's relationships with creditors or trading counterparties and/or (viii) adversely affecting public confidence in the Group. Any of these developments could have a material adverse effect on the Group's business, liquidity position, operating income, revenues and financial condition.

Valuation methodologies, estimations and assumptions

The accounting policies and principles relating to valuing Crédit Agricole Assurances Group's investments are detailed in note 1 of the consolidated financial statements, which are included in Crédit Agricole Assurances'registration document. Certain of the Group's investment assets, for which there is no active trading market or other observable market data, are valued using models and methodologies that involve estimates, assumptions and significant management judgment. During periods of market disruption, a larger portion of the Group's investment assets may be valued using these models and methodologies as a result of less frequent trading or less observable market data with respect to certain asset classes that were previously actively traded in liquid markets. There can be no assurance that the Group's valuations on the basis of these models and methodologies represent the price for which a security may ultimately be sold or for which it could be sold at any specific point in time. Use of different models, methodologies

and/or assumptions may have a material impact on the estimated fair value amounts and could have a material adverse effect on the Group's results of operations and financial condition.

Determination of the amount of allowances and impairments taken on the Group's investments

The determination of the amount of allowances and impairments under the accounting policies and principles detailed in note 1 of Crédit Agricole Assurances Group's consolidated financial statements (which are included in Crédit Agricole Assurances'registration document) varies by investment type and is based upon the Group's periodic evaluation and assessment of known and inherent risks associated with the respective asset class. In considering impairments, management considers a wide range of factors and uses its best judgment in evaluating the cause of the decline in the estimated fair value of the security and the prospects for near-term recovery. For certain asset classes, particularly debt instruments, management's evaluation involves a variety of assumptions and estimates about the operations of the relevant issuer and its future earnings potential. The need for additional impairments and/or allowances may have a material adverse effect on the Group's consolidated results of operations and financial position.

RISK FACTORS ASSOCIATED WITH THE STRUCTURE OF CRÉDIT AGRICOLE ASSURANCES GROUP, THE NATURE OF ITS BUSINESS, ITS PRODUCTS AND ITS ENVIRONMENT

Hedging programs

Crédit Agricole Assurances Group uses derivatives to hedge certain, but not all, risks under guarantees provided to the Group's clients. These hedging techniques are designed to reduce the economic impact of unfavorable changes to certain of the Group's exposures under the guarantees due to movements in the equity and fixed income markets and other factors. In certain cases, however, the Group may not be able to effectively hedge the Group's risks as intended or expected or may choose not to hedge certain risks because the derivative market(s) in question may not be of sufficient size or liquidity, the cost of hedging may be too expensive (as a result of adverse market conditions or otherwise), the nature of the risk itself may limit the Group's ability to effectively hedge or for other reasons. This may result in higher realized losses and unanticipated cash needs to collateralize or settle transactions. In addition, hedging counterparties may fail to perform their obligations, resulting in unhedged exposures and losses on positions that are not collateralized. The operation of the Group's hedging program is based on models involving numerous estimates and management judgments. The Group's hedging program may change in time and there can be no assurance that ultimate actual experience will not differ materially from the Group's assumptions, which could adversely impact Crédit Agricole Assurances Group's operating income and financial condition.

Assumptions used to determine the appropriate level of insurance reserves

The establishment of insurance reserves, including the impact of minimum guarantees, is inherently uncertain processes involving assumptions about factors such as policyholder behavior (e.g. lapses, persistency, etc.), court decisions, changes in laws and regulations, social, economic and demographic trends, inflation, investment returns and other factors, and, in the life insurance business, assumptions concerning mortality and morbidity trends. The use of different assumptions about these factors could have a material effect on insurance reserves and underwriting expenses as well as performance indicators followed by investors.

Insufficient loss reserves for property & casualty and international insurance business

In accordance with industry practices and accounting and regulatory requirements, Crédit Agricole Assurances Group establishes reserves for claims and claims expenses related to the Group's property and casualty and international insurance businesses. Reserves do not represent an exact calculation of liability, but instead represent estimates, generally using actuarial projection techniques at a given accounting date. These reserve estimates are expectations of what the ultimate settlement and administration of claims will cost based on the Group's assessment of facts and circumstances then known, review of historical settlement patterns, estimates of trends in claims severity, frequency, legal theories of liability and other factors. No assurance can be given that ultimate losses will not materially exceed Crédit Agricole Assurances Group's claims reserves and have a material adverse effect on the Group's operating income.

Claims experienced could be inconsistent with the assumptions used to price the products and establish the reserves

Crédit Agricole Assurances Group's earnings depend significantly upon the extent to which the Group's actual claims experience is consistent with the assumptions the Group uses in setting the prices for the Group's products and establishing the liabilities for obligations for technical provisions and claims. The Group uses both its own experience and industry data to develop estimates of 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 emerging risks such as pandemic diseases could result in loss experience inconsistent with the Group's pricing and reserving assumptions. To the extent that the Group's actual benefits paid to policyholders are less favorable than the underlying assumptions used in initially establishing the future policy benefit reserves, or events or trends cause Crédit Agricole Assurances Group to change the underlying assumptions, the Group may be exposed to greater than expected liabilities, which may have a material adverse effect on the Group's business, operating income and financial condition.

The Group's insurance operations are exposed to the risk of catastrophic events. The extent of losses from a catastrophe is a function of both the total amount of insured exposure in the area affected by the event and the severity of the event. Most catastrophes are restricted to small geographic areas; however, hurricanes, earthquakes, man-made catastrophes may produce significant damage or loss of life or property damage in larger areas, especially those that are heavily populated. Similarly, the Group's life insurance operations are exposed to the risk of catastrophic mortality, such as a pandemic or other event that causes a large number of deaths. Significant influenza pandemics have occurred three times in the last century; however, the likelihood, timing, and severity of a future pandemic cannot be predicted. A significant pandemic could have a major impact on the global economy or the economies of particular countries or regions, including travel, trade, tourism, the health system, food supply, consumption, overall economic output and, eventually, on the financial markets. The effectiveness of external parties, including governmental and non-governmental organizations, in combating the spread and severity of such a pandemic could have a material impact on the losses experienced by the Group.

Claims resulting from catastrophic events could cause substantial volatility in the Group's financial results and could materially reduce its profitability or harm its financial condition. In addition, catastrophic events could harm the financial condition of issuers of obligations the Group holds in its investment portfolio, resulting in impairments to these obligations, and the financial condition of its reinsurers, thereby increasing the probability of default on reinsurance recoveries. Large-scale catastrophes may also reduce the overall level of economic activity in affected countries which could hurt the Group's business and the value of its investments or ability to write new business. It is possible that increases in the value, caused by the effects of inflation or other factors, and geographic concentration of insured lives or property, could increase the severity of claims the Group receives from future catastrophic events. Although the Group takes efforts to limit its exposure to catastrophic risks through volatility management and reinsurance programs, these efforts do not eliminate all risk. Catastrophes can be caused by various events, including hurricanes, windstorms, earthquakes, hail, tornadoes, explosions, severe winter weather (including snow, freezing water, ice storms and blizzards), fires and man-made events such as terrorist attacks. Due to their nature, the Group cannot predict the incidence, timing and severity of catastrophes. In addition, changing climate conditions, primarily rising global temperatures, may increase the frequency and severity of natural catastrophes such as hurricanes.

While the Group attempts to limit its exposure to acceptable levels, subject to restrictions imposed by insurance regulatory authorities, a catastrophic event or multiple catastrophic events could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's ability to manage this risk depends in part on its ability to obtain catastrophe reinsurance, which may not be available at commercially acceptable rates in the future.

Increases in the severity or frequency of natural or man-made disasters

Over the past several years, changing weather patterns and climatic conditions, including global warming, have added to the unpredictability and frequency of natural disasters (including hurricanes, windstorms, hailstorms, earthquakes, fires, explosions, freezes and floods) and, together with man– made disasters and core infrastructure failures (including acts of terrorism, military actions, power grid and telephone/internet infrastructure failures), created additional uncertainty as to future trends and exposures. If Crédit Agricole Assurances Group is unable to successfully manage its exposure to these risks, it could experience significant losses that could adversely affect its operating income.

Default of a reinsurer or increased reinsurance costs

Crédit Agricole Assurances Group enters into reinsurance contracts to limit its risk. Under these arrangements, other reinsurers assume a portion of the claims and related expenses in connection with insurance policies the Group writes. The availability, amount and cost of reinsurance depend on prevailing market conditions, in terms of price and available capacity, which may vary significantly.

While the purpose of reinsurance agreements is to transfer a portion of losses and related expenses to other insurers, they do not eliminate the requirement for the Group, the direct insurer, to settle claims. In this regard, Crédit Agricole Assurances Group is thus subject to the solvency risk of its reinsurers at the time that sums due are recovered from them. Although the Group initially places its reinsurance with reinsurers that Crédit Agricole Assurances Group believes to be financially stable, this may change adversely by the time recoveries are due which could be many years later. A reinsurer's failure to make payment under the terms of a significant reinsurance contract would have a material adverse effect on the Group's businesses, financial condition and results of operations. In addition, after making large claims on the Group's reinsurers, the Group may have to pay substantial reinstatement premiums to continue reinsurance cover.

Furthermore, the availability, amount and cost of reinsurance depend on overall current economic conditions and may vary

considerably. In the future, Crédit Agricole Assurances Group may be unable to obtain reinsurance at commercially reasonable prices, thus increasing its risk of loss due to lower levels of reinsurance, or its income statement could be adversely affected by the increased cost of reinsurance for its already-reinsured activities.

Inadequate or failed processes or systems, human factors or external events

Operational risk is inherent in Crédit Agricole Assurances Group's business and can manifest itself in various ways, including business interruption, poor vendor performance or default (including under significant outsourcing arrangements), information systems malfunctions or failures, hacking incidence and/or other unauthorized intrusions into the Group's websites and/or information systems, regulatory breaches, human errors, employee misconduct, and external fraud. Crédit Agricole Assurances Group also faces the risk of operational failure or termination of any of the clearing agents, exchanges, clearing houses or other financial intermediaries the Group uses to facilitate securities transactions. These events can potentially result in financial loss, impairment to the Group's liquidity, a disruption of the Group's businesses, regulatory sanctions or damage to the Group's reputation.

Strong integration within Crédit Agricole Group

Crédit Agricole Assurances is strongly integrated within Crédit Agricole Group. It therefore follows that:

- there are many cross competences between the different entities, more specifically in terms of governance. As an illustration, several corporate officers of Crédit Agricole Assurances are also corporate officers of Crédit Agricole's Regional Banks or of Crédit Agricole S.A. and its affiliates;
- there is no Compensation Committee within Crédit Agricole Assurances. By Board of Directors'decision of 5 November 2013, the missions of the Compensation Committee with respect to the Board of Directors are devolved to Crédit Agricole S.A. Compensation Committee;
- several lines of businesses have a hierarchical reporting line to Crédit Agricole S.A., which initiates written procedures followed by Crédit Agricole Assurances.

RISK FACTORS ASSOCIATED WITH THE REGULATORY AND COMPETITIVE ENVIONMENT OF CRÉDIT AGRICOLE ASSURANCES GROUP

Solvency 2 regulation

Over the past few years, the European Commission (the "Commission") has carried out an in-depth review of the regulatory capital requirements in the insurance sector in conjunction with the member States to prepare for the implementation of the European Directive of 2009 pertaining to the taking-up and pursuit of the insurance and reinsurance business (Solvency 2), amended in 2014 by Directive 2014/51/EU ("Omnibus 2"). The goal of Solvency 2, launched since 1 January 2016, is to establish a solvency regime that is better adapted to the risks that insurers encounter, and to build a shared system for all members of the European Union. This approach is based on three pillars: (1) Pillar 1 covers quantitative capital requirements, rules for measuring assets and liabilities as well as capital requirements, (2) Pillar 2 covers requirements relating to governance and risk management for insurers as well as the requirement for insurers to carry out internal risk and solvency assessments (Own Risk and Solvency Assessment – "ORSA") and to communicate results to the Supervisory Authority as part of its prudential control procedure and (3) Pillar 3 concerns reporting and transparency requirements. This approach will cover assessments, handling insurance groups, defining capital and the overall level of capital requirements, among other things. Additional information on the Solvency 2 regulation is available at the end of the registration document's first section "Presentation of Crédit Agricole Assurances".

Under the Solvency 2 Directive, this level of capital requirements is strongly impacted by the introduction of the market value for assets and of the fair-value valuation for liabilities, which challenges the insurer's regulatory indicators of wealth with the markets'variations.

Concerning eligible capital, the best quality of own funds is partly constituted by the reconciliation reserve, the amount of which is very much connected with market's fluctuations. As a consequence, a high level of equity market volatility can induce a weakness in an initially adequate solvency position.

Fierce competition in all Crédit Agricole Assurances Group's business segments

There is substantial competition among general insurance companies in France and the other jurisdictions in which the Group does business. Some the Group's competitors may benefit from greater financial and marketing resources or name recognition than the Group. The recent consolidation in the global financial services industry has also enhanced the competitive position of some of the Group's competitors compared to Crédit Agricole Assurances Group by broadening the range of their products and services, and increasing their distribution channels and their access to capital.

Crédit Agricole Assurances Group's competitors include not only other insurance companies, but also mutual fund companies, asset management firms, private equity firms, hedge funds and commercial and investment banks, many of which are regulated differently than the Group is and may be able to offer alternative products or more competitive pricing than Crédit Agricole Assurances Group.

In addition, development of alternative distribution channels for certain types of insurance and securities products, including through the internet, may result in increasing competition as well as pressure on margins for certain types of products. While Crédit Agricole Assurances Group seeks to maintain premium rates at targeted levels, the effect of competitive market conditions may have a material adverse effect on the Group's market share and financial condition. These competitive pressures could result in increased pricing pressures on a number of the Group's products and services, particularly as competitors seek to win market share, which could harm the Group's ability to market certain products profitably.

Strategic risks arising from an incorrect consideration of industry changes or adverse business decisions

A lack of anticipation or perception of industry changes as well as adverse business decisions can have a material negative impact (immediate or prospective) on Crédit Agricole Assurances Group's earnings or capital, materializing a strategic risk. As illustrations, there are for instance:

- significant operations on the Group's scope, including mergers and acquisitions;
- changes in the product offering and the customer segmentation;
- evolutions relative to the distribution model (new partnerships, digitalization of the sales processes among others).

Given the nature of these risks, they are not subject to a capital charge but the Group watches over them very closely in order to anticipate them so as to manage them quickly and efficiently.

Reputational risk in case of events, internal or external, which have a negative impact on the way the company is perceived

Reputation appears as a strategic item for Crédit Agricole Assurances'development (recruitment and retention of customers or employees, access to markets, relations with regulatory authorities...) and valuation.

Reputational risk can find its source in the direct and indirect consequences of an internal risk (operational risk leading to an accident, financial risk...) as well as in an external event (press onslaught, natural disaster of an unanticipated scale...). Moreover, Crédit Agricole Assurances'membership in a large Group increases the potential sources of reputational risk, since an event affecting another entity of the Group can have consequences on the insurance business.

Reputational risks are finally increased by the use of the new communication's means, the e-reputation being today an omnipresent item: blogs, social networks, spontaneous opinions gathering on line, consumers surveys.

Crédit Agricole Assurances Group is particularly exposed to the reputational risk when developing and selling new products. Investments made by Crédit Agricole Assurances Group, as well as a failure of the control system can also trigger reputational risk.

Within this framework, Crédit Agricole Assurances implements a reputation risk management system based on:

- prevention, *via* procedures to manage relations with third parties, especially with media;
- detection, valuation and risk monitoring in the business departments, integrated in the global internal control management system of each entity, under the supervision of the risk-management function, and in coordination with the compliance function. As an illustration, the creation of new products is secured by New Activities and new Products Committees (CONAP), which review the contractual and commercial documentation, the training materials and sales support tools for distributors. The distribution networks are assisted *via* training activities. The processing of claims is organised to meet the supervisors'requirements. Litigation files are closely monitored. The performances of the main Unit-Linked contracts are regularly reviewed. In a sustained low interest rates environment, the CONAP of Crédit Agricole Assurances Group's main life-insurance company set out principles when the strategy to diversify the clients'portfolios was implemented;
- a process of control for the distribution and management of insurance products (life and non-life), which has been deployed within the distributing banks – Regional Banks and LCL– in order to have an homogeneous system to control commercialization;
- vigilance in order to prevent the risk emergence (daily panorama of press including national, regional and specialised press as well as websites, media or not; daily oversight of social networks, blogs, comparators and forums which mention Crédit Agricole Assurances Group or one of its entities; preparation of the adequate answer if a risk of reputation or image is detected for Crédit Agricole Assurances Group);
- crisis management if the risk is confirmed.

Changes in government policies, regulation or legislation in the countries where Crédit Agricole Assurances Group operates

Crédit Agricole Assurances Group is subject to an extensive regulation and supervision in the various jurisdictions in which its French and international insurance subsidiaries do business. Applicable regulations relate to a range of matters, including licensing and examination, rate setting, trade practices, policy reforms, limitations on the nature and amount of certain investments, underwriting and claims practices, mandated participation in shared markets and guarantee funds, adequacy of the Group's claims provisions, capital and surplus requirements, insurer solvency, transactions between affiliates, the amount of dividends that may be paid and underwriting standards. Such regulation and supervision is primarily for the benefit and protection of policyholders and not for the benefit of investors. In some cases, regulation in one country may affect business operations in another country. As the amount and complexity of these regulations increase, so will the cost of compliance and the risk of non-compliance. If the Group does not meet regulatory or other requirements, the Group may suffer penalties including fines, suspension or cancellation of its insurance licenses which could adversely affect the Group's ability to do

business. In addition, significant regulatory action against Crédit Agricole Assurances Group could have material adverse financial effects, cause significant reputational harm or harm the Group's business prospects.

In addition, Crédit Agricole Assurances Group may be adversely affected by changes in government policy or legislation applying to companies in the insurance industry. These include possible changes in regulations covering pricing and benefit payments for certain statutory classes of business, the deregulation and nationalization of certain classes of business, the regulation of selling practices, the regulations covering policy terms and the imposition of new taxes and assessments or increases in existing taxes and assessments. Regulatory changes may affect the Group's existing and future businesses by, for example, causing customers to cancel or not renew existing policies or requiring the Group to change its range of products or to provide certain products and services, redesign its technology or other systems, retrain its staff, pay increased tax or incur other costs. It is not possible to determine what changes in government policy or legislation will be adopted in any jurisdiction in which the Group operates and, if so, what form they will take or in what jurisdictions they may occur. Insurance laws or regulations that are adopted or amended may be more restrictive than the Group's current requirements, may result in higher costs or limit the Group's growth or otherwise adversely affect the Group's operations.

Similarly, changes to the tax laws in France or in other countries where Crédit Agricole Assurances Group operates may have adverse consequences either on some the Group products and reduce their attractiveness, especially those that currently receive favorable tax treatment, or on the Group's own tax expense. Examples of such changes include the tax treatment of life insurance savings products and retirement savings plans, which frequently provide important tax incentives or disincentives to investing in some asset classes or product categories.

Potential amendments to International Financial Reporting Standards as adopted by the European Union

Crédit Agricole Assurances Group's consolidated financial statements are prepared based on definitive IFRS and interpretations of the IFRS Interpretations Committee that are in force as at 31 December 2018, according to the European Union's provisions for adoption ("the standards"). Draft changes to existing standards are being studied by the IASB (international accounting regulator). Some of these amendments could have significant impacts on insurers and other financial institutions, including Crédit Agricole Assurances Group, which prepares its consolidated financial statements in accordance with these standards.

The proposed changes in these standards and their potential impact on Crédit Agricole Assurances' financial statements are analysed in the "Applicable standards and comparability" section of note 1 to the consolidated financial statements of Crédit Agricole Assurances, which is included in the Reference Document.

In particular, information is provided in this section on the adoption of IFRS 9 ("Financial instruments") and its consequences.

Management cannot predict with certainty the impact of the proposed amendments (or potential future amendments) to these standards while the IASB's work is still in progress. Nevertheless, any significant amendment could impact the company's consolidated net income.

INTERNAL CONTROL AND RISK MANAGEMENT PROCEDURES

The internal Control system, within the Crédit Agricole Group, is defined as all the measures 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, in accordance with the references listed in item "Internal Control reference texts" below.

This system and the internal Control procedures are, however, inherently limited by technical or human failures.

The system is, therefore, characterised by its assigned objectives:

- compliance with written policies approved by the Board of Directors and the governance bodies of Crédit Agricole Assurances Group and its subsidiaries;
- application of instructions and guidelines determined by the Executive Management;
- financial performance through the effective and adequate use of Crédit Agricole Assurances Group's assets and resources, and protection against the risk of loss;
- comprehensive, accurate and ongoing knowledge of the data required to make decisions and manage risks;
- compliance with laws and regulations, professional and ethical Codes of Conduct and internal standards;
- prevention and detection of fraud and error;
- accuracy and completeness of accounting records and timely production of reliable accounting and financial information.

The measures that have been implemented in this prescriptive environment already provide the Board, the Executive Management and management, in particular, with a number of resources, tools and reports, allowing for the quality of the internal control systems and their adequacy (permanent and periodic controls, reports on risk monitoring and measurements, corrective plans of action, etc.) to be assessed.

The internal Control system is chiefly based on three control functions under banking regulations, namely Permanent Control and Risk Management, Compliance Control and Periodic Control (Internal Audit). At the end of 2018, the staff assigned to these functions for the Crédit Agricole Assurances Group totalled 126 FTE versus 115 FTE at the end of 2017 (+9.6%), or 55 in the Permanent Control and Risk Management functions, 45.5 for Compliance Control and 25.5 in Periodic Control functions. Furthermore, in accordance with the Solvency 2 Directive applicable since 1 January 2016, the Crédit Agricole Assurances Group set up the Actuarial function at the level of the Group and its insurance subsidiaries; it totals 18 FTE at the end of 2018. Each of these four key functions (Risk Management, Compliance, Actuarial function, Internal Audit) is headed by a manager appointed by the Executive Management, approved by the Board of Directors and notified to the competent national supervisory authority.

It should be noted that the system implemented by Crédit Agricole Assurances is part of the framework of standards and principles set forth below and adapted and appropriately deployed across the various business lines and risks in order to best observe insurance-related and, as the subsidiary of a credit institution, banking-related regulatory requirements.

In addition, Crédit Agricole Assurances satisfies the new regulatory requirements of the Solvency 2 Directive (effective since 1 January 2016) with its three pillars, thanks to its adaptation over several years of its organisation and procedures, as necessary. Further information on Solvency 2 is given in the "Solvency" section of the "Presentation of Crédit Agricole Assurances", at the beginning of the registration document.

INTERNAL CONTROL REFERENCE TEXTS

Internal control standards are derived from the regulations applicable to insurance companies (Insurance Code in France and its equivalent in other countries where Crédit Agricole Assurances subsidiaries are based).

In addition, as a subsidiary of a banking group, Crédit Agricole Assurances is subject:

- to the provisions of the French Monetary and Financial Code (Article L. 511-41);
- to the Decree of 3 November 2014 on the internal control of banking, payment services and investment services firms subject to supervision by the French Regulatory and Resolution Supervisory Authority (ACPR);
- to the AMF general regulations and Basel Committee recommendations on internal control, risk management and solvency.

These national and international external standards are supplemented by internal standards specific to Crédit Agricole, as well as by procedures and standards specific to Crédit Agricole Assurances and its subsidiaries.

Within this context, Crédit Agricole S.A. issued procedural notes regarding the organisation of internal control and a body of rules and procedures relating, in particular, to accounting (Crédit Agricole chart of accounts), financial management, risk management and permanent controls. It also adopted, in 2004, a set of procedural notes to control its compliance with laws and regulations (in particular, in relation to financial security), which have been rolled out by Crédit Agricole Assurances Group entities. This procedural system is regularly updated to take into account regulatory developments and changes in the internal control scope.

An Operating Charter was signed by the main French subsidiaries and by the Crédit Agricole Assurances S.A. holding company with the Risk Management and Permanent Controls function to be applied to international subsidiaries.

This Charter sets out:

- the scope covered by the Risk Management and Permanent Controls function;
- the organisation of the Risk Management and Permanent Controls function; how responsibilities are divided between the Group's Risks Department (DRG) and operating entities'Risk Management and Permanent Controls Officers (RCPRs);
- information held by the Risk Management and Permanent Control function exchanged between the central DRG and the entities' RCPRs;
- the role of the Risk Management and Permanent Controls function (aims, general organisation, risk management).

The operational framework of the Compliance and Periodic Control functions is similarly organised.

Finally, in December 2015, the Crédit Agricole Assurances Group adopted written policies as required under Solvency 2. These were approved by the Board of Directors of Crédit Agricole Assurances and its subsidiaries in their respective areas. Among these policies, it should be noted that a Crédit Agricole Assurances Group risk management policy exists at the Crédit Agricole Assurances Group level. This serves as a frame of reference for the organisation of the internal control system.

ORGANISATIONAL PRINCIPLES OF THE INTERNAL CONTROL SYSTEM

Fundamental principles

The organisational principles and components of Crédit Agricole Assurance's internal control system, which are common to all Crédit Agricole Group entities, cover obligations with regard to:

- reporting to the decision-making body (risk strategies, risk limits and use of such limits, internal control activity and results);
- the direct involvement of the executive body in the organisation and operation of the internal control system;
- the comprehensive coverage of all business operations and risks, and accountability of all persons involved;
- the clear definition of tasks, effective segregation of the commitment and control functions, formal and up-to-date delegations of authority;
- formal, up-to-date standards and procedures, especially in the area of accounting.

These principles are supplemented by:

- risk measurement, monitoring and management systems: financial risks (assets/liabilities, counterparty risk, liquidity risk, etc.), insurance business-related techniques, operational risks (transaction processing, IT processing), accounting risks (including the quality of financial and accounting information), non-compliance and legal risks;
- a control system, forming part of a dynamic and corrective process, encompassing permanent controls, which are carried out by the operating units themselves or by specific staff, and periodic controls (carried out by the Crédit Agricole Assurances Internal Audit department and the Crédit Agricole S.A. Group Control function).

Furthermore, across the various business lines, Crédit Agricole Assurances'objectives and strategy are taken into consideration when changes are made to Internal Control systems, particularly *via* the Risks and Internal Control Committees and NAP (new business and new products) Committees.

Oversight

Respective responsibilities of the business lines with control functions

In terms of banking regulation, three separate control functions ensure the consistency and effectiveness of the internal control system and compliance with the principles listed above over the entire scope of Crédit Agricole Assurances internal control. Their organisation is as follows on 31 December 2018:

- the Risk Management and Permanent Controls Officer (RCPR) of Crédit Agricole Assurances Group has a hierarchical reporting line to the Crédit Agricole S.A. Group Risk department, and a functional reporting line to the Crédit Agricole Assurances Group Executive Management. The RCPRs in the French and foreign subsidiaries have a hierarchical reporting line to Crédit Agricole Assurances'Risk Management and Permanent Controls department, and a functional reporting line to their Executive Management;
- compliance Control falls within the scope of the enhanced compliance program of the Crédit Agricole Group. The holding company Crédit Agricole Assurances'Compliance Officer has a hierarchical reporting line to Crédit Agricole S.A. Group's Compliance department and a functional reporting line to the Crédit Agricole Assurances Group Executive Management. The compliance head in the subsidiaries have a hierarchical reporting line to Crédit Agricole Assurances'Compliance department and a functional reporting line to their Executive Management.

The Permanent Control system ensures the integration of the control system in general, including non-compliance risks (mapping, local and consolidated control plan, action plans).

- Internal Audit operates as a third level of control throughout the entire Crédit Agricole Assurances Group. Its operation is governed by the internal audit policy of Crédit Agricole Assurances Group, as approved by the Board of Directors, which establishes its independence from operational functions. The Crédit Agricole Assurances Audit director has a hierarchical reporting line to the Crédit Agricole S.A. Group Control and Audit function, and an functional reporting line to the Crédit Agricole Assurances Executive Management.

Finally, Crédit Agricole Assurances Group set up the Actuarial function, required under the Solvency 2, at the level of Crédit Agricole Assurances Group and its insurance subsidiaries. On 31 December 2018, the heads of the Actuarial function for Crédit Agricole Assurances and its subsidiaries, have a hierarchical and a functional reporting lines to their Executive Management.

Consolidated and internal Control

In accordance with the current Crédit Agricole Group principles, the Crédit Agricole Assurances internal control system has a broad

scope of application for the supervision and control of activities and to measure and monitor risks on a consolidated basis.

Each Crédit Agricole Group entity applies this principle to its own subsidiaries such that the internal control system is rolled out according to a pyramid structure, thereby ensuring a consistent internal control system throughout the various Crédit Agricole Group entities.

In this way, Crédit Agricole Assurances ensures that there is a satisfactory system operating within each subsidiary carrying risk, as well as the identification and consolidated monitoring of activities, risks and the quality of controls, particularly with regard to accounting and financial information.

Group Risk Management and Internal Control Committee

The Risk Management and Internal Control Committee of the Crédit Agricole Assurances Group brings together the four key functions of the Crédit Agricole Assurances Group, as defined by the Solvency 2 Directive. The missions of these functions are specified in the section "Solvency" of the registration document's part 1 "Presentation of Crédit Agricole Assurances".

This Committee meets every six months under the chairmanship of the Chief Executive Officer of Crédit Agricole Assurances. It is comprised of the Chief Executive Officers of the main subsidiaries, the Crédit Agricole Assurances Group Risk Management and Permanent Controls director, the Risk Management and Permanent Controls Officers at the main subsidiaries as well as their Crédit Agricole Group supervisor, Compliance Control Officers of the Crédit Agricole Assurances Group and its main subsidiaries, the Crédit Agricole S.A. Compliance director or his/her representative, the Crédit Agricole Assurances Internal Audit director, and the Head of Crédit Agricole S.A. group Control and Audit or his/her representative. It was expanded to include the Head of the Crédit Agricole Assurances Group Actuarial function in December 2014.

The purpose of this Committee is to reinforce cross-functional actions to be implemented within the Crédit Agricole Assurances Group. Its role is to review common internal control issues and to ensure the consistency and effectiveness of internal controls and, in particular:

- to assess the internal control system and the control system implemented;
- to review the main risks to which the Crédit Agricole Assurances Group entities are exposed, whatever their nature, and changes made to systems for measuring risks and results;
- to take any decisions needed to resolve weaknesses in internal control;
- to monitor the implementation of commitments made as a result of internal and external audits;
- to decide on corrective measures to be taken as a result of the shortcomings identified by audits as well as by business and internal control reports held by the Heads of the Control functions or by Crédit Agricole Assurances management.

The Internal Audit director acts as the secretary of the Risk Management and Internal Control Committee and prepares the agenda in consultation with the other participants, drafts the minutes and ensures that the decisions taken by the Committee are implemented.

Role of the Board of Directors

The Board of Directors is informed of the organisation, operation and results of the internal control system. It is involved in understanding the main risks to which the company is exposed.

On this basis, it is regularly informed of the overall limits set as acceptable levels of such risks. It is also notified of levels of use of such limits.

Reports on the effectiveness of the internal control and risk management systems are submitted on a regular basis to the Crédit Agricole Assurances governance bodies which are also informed of the main incidents identified.

In addition to the information that it receives on a regular basis, the Audit and Accounts Committee informs the Board of the main risks incurred by the company and of significant incidents picked up by internal control and risk management systems.

The Board of Directors approves the holding company's overall organisational structure and its internal control systems. It also approves the organisational structure of Crédit Agricole Assurances Group as well as that of its internal control system.

In addition, it is informed, at least twice a year, by the executive body and the heads of the three control functions, of internal control activities and results, either directly or *via* feedback given to the Audit and Accounts Committee. In accordance with the Solvency 2 Directive, the heads of the four key functions have direct access to the Board of Directors, to which they present the results of their work at least once a year.

The Chairman of the Audit and Accounts Committee reports to the Board on the Committee's work.

Role of the Audit and Accounts Committee

This Committee is responsible for verifying the clarity of the information provided and of assessing the appropriateness of accounting methods used to prepare the consolidated and parent company financial statements as well as the effectiveness of the risk management and internal control system.

As such, it has broad communications powers in respect of all information relating to periodic control, permanent control, including accounting and financial control, and compliance control. Since the beginning of 2016, these communication powers were extended to the Actuarial function.

Accordingly, it receives periodic reports on activity management systems and risk measurement.

Committee meetings also include an update on internal audit activities, thereby enabling audits to be monitored as well as the implementation of the recommendations made by national supervisory authorities, by the Crédit Agricole S.A. group Control and Audit function and by the Crédit Agricole Assurances Internal Audit function.

Role of the executive body: Executive Management

The Chief Executive Officer and the two others executive directors appointed under the Solvency 2 Directive are directly involved in the organisation and operation of the internal control system. They ensure that risk strategies and limits are compatible with the financial position (capital base, earnings) and strategic guidelines set by the decision-making body.

The Executive Management defines the general organisation of the Crédit Agricole Assurances Group and oversees its implementation by the relevant staff. In particular, it defines roles and responsibilities and allocates adequate resources to the Internal Control function.

It ensures that the risk identification and measurement systems appropriate for Crédit Agricole Assurances activities and organisation are implemented. It also ensures that all essential information produced by these systems is reported to it on a regular basis.

It ensures that the internal control system's adequacy and effectiveness are permanently monitored. It receives information on any failures identified by the internal control system and on proposed corrective measures, particularly within the context of the Risks and Internal Control Committee.

SUMMARY DESCRIPTION OF THE INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Risk measurement and supervision

The Insurance business Risk Management and Permanent Controls system is overseen by the director in charge of the risk management function of the Crédit Agricole Assurances Group, reporting hierarchically to the central body of the Crédit Agricole S.A. Group Risk Management department (GRMD) and functionally to the Chief Executive Officer of Crédit Agricole Assurances. The Crédit Agricole Assurances Group Risk Management and Permanent Controls Officer (key function) is responsible for monitoring the risks of the Crédit Agricole Assurances Group and, as such, is responsible for risk consolidation, among other things, ensuring consistency and standardisation within Crédit Agricole Assurances Group. He/she is assisted by the Risk Management Officers at the different entities, who report to him/her on a hierarchical basis and have a fully operational role within the respective entities. In accordance with the principle of subsidiarity, both French and international subsidiaries are provided with the necessary means of managing the risks inherent in their specific business activities. Each subsidiary uses risk measurement, monitoring and control systems for all risks (market risks, including liquidity, counterparty, insurance and reinsurance technical risks, operational risks, compliance and legal risks) depending on its business activities and its organisation, and incorporates them into its internal control system.

A description of Crédit Agricole Assurances Group's risk exposure is presented in the section on "Risk factors" in the management report and the registration document. life insurance entities are, more specifically, exposed to market risks of an asset/liability nature due to their savings and pension activities. non-life insurance entities are mainly exposed to insurance and reinsurance technical risks.

The organisation and operation of the Insurance Risk business line is based on a matrix approach which takes into account the existence of major risk areas in certain entities. Financial risks are monitored by a Crédit Agricole Assurances Group Financial Risks advisor (Head of Predica's risk management function), who operates across all entities on behalf of the Crédit Agricole Assurances Group to analyse financial risks (in an advisory capacity) and define a risk framework (proposal of a Financial Risk Strategy and associated risk policies). Other major risks are also managed according to a Crédit Agricole Assurances Group approach, with co-ordination and consolidation given direct impetus by the holding company (technical risks), or by sharing best practices for harmonisation purposes (operational risks). Monitoring and management of IT security and business continuity risks across Crédit Agricole Assurances Group are centralised in the holding company, under the aegis of the ITRM (IT Risk Manager and PCA), and are separated from operational monitoring of those risks, which is under the aegis of the CISO (Chief Information Security Officer), also centralised at the holding company level.

To carry out its strategic orientations, by containing and regulating its risks in a proper manner, Crédit Agricole Assurances Group has implemented a risk appetite framework which has to be observed. This risk appetite framework, which forms the basis of the Risk Management Strategy, is declined in key indicators by nature of the risks.

The Risk management strategy implemented by 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 business strategy.

It is reviewed and validated, as well as the risk appetite, at least annually, by the Board of Directors of Crédit Agricole Assurances, after review by the Credit Agricole S.A. Group Risk Management Committee (a sub-Committee of Crédit Agricole S.A.'s Executive Committee, chaired by its CEO) of the main indicators and limits. With regard to limits of their responsibilities, the Crédit Agricole Assurances Executive Management or even the Group's Risk Management of Credit Agricole S.A is notified of any breaches of alert thresholds or limits and resulting corrective measures.

The limits system includes, particularly for market risk, Crédit Agricole Assurances Group consolidated limits, set in reference to assets under management (Crédit Agricole Assurances Group total portfolio), on allocations in terms of asset class and risk spreading (by class of rating, by counterparty, by sector, etc.). It is supplemented by alert limits and thresholds to manage Predica asset/liability risks. In addition, the technical risks to which the main life insurance (Predica) and non-life insurance entities (Pacifica, CACI) are exposed, are monitored by means of indicators measuring the ratio between claims and premiums, compared against an alert threshold defined by each of the companies. To control counterparty risk in reinsurance programmes, the quality of the re-insurer is subject to a minimum rating criterion.

Each entity adopts the limits and risk appetite framework of the Crédit Agricole Assurances Group through a process co-ordinated by Crédit Agricole Assurances, taking into account the specificities of life insurance and non-life insurance companies. Furthermore, they have formal risk policies and procedures providing a strict framework for risk management: rules for accepting risk when insurance policies are taken out, hedging of technical risks by reinsurance (action thresholds), claims management, decisions based on formal analyses, authorisations, "four-eyes" principle (second reading, two signatures) where justified by amounts or risk levels, rules governing management mandates granted to asset managers, etc.

Each entity's risk measurement system is comprehensive. It covers all categories of commitments (on – and off-balance sheet) and positions, and consolidates commitments to companies belonging to the same group, by aggregating all portfolios and identifying risk levels.

These measurements are supplemented by regular assessments based on stress scenarios. In this regard, each year, Crédit Agricole Assurances and its subsidiaries conduct the ORSA exercice, a multi annual forward-looking assessment to analyse changes in their risk profile and solvency, including in negative cases. Prospective

assessment can be carried out more often if necessary. The measurement methodologies on which these assessments are based are documented and explained. They are subject to periodic review in order to check their relevance and adaptation to the risks incurred. The Crédit Agricole Assurances Group Insurance Models Committee, under the responsibility of the Group Risk function, validates the methodologies underpinning the models and indicators used to address major risks for the Crédit Agricole Assurances Group or presenting cross-sector challenges for the Crédit Agricole Assurances Group.

Each entity controls the risks involved. This oversight takes the form of permanent monitoring of limits exceeded and corresponding adjustments to return risk to normal levels and technical and price monitoring in relation to insurance policies, particularly for new or specialised business. In property and casualty insurance, matching the level of provisioning (corresponding to the commitment to pay out for claims made by policyholders) to the real cost of claims, is measured at regular intervals.

On its part, the Crédit Agricole Assurances holding company provides to the governance a comprehensive and consolidated view of the Insurance business risk by producing a Flash-risks dashboard including quarterly review of Crédit Agricole Assurances Group risks, supplemented by monthly risk updates. More specifically, for financial risks, a monthly report makes it possible to ensure compliance with the Crédit Agricole Assurances Group consolidated aggregate limits and to monitor consumption in relation to such limits. The holding company has also set up bodies to oversee risks consistently at Crédit Agricole Assurances Group level: a bi-monthly meeting of the Risk Management Committee, a monthly meeting of the Financial Risks Committee, specialist portfolio reviews (equities, real estate, etc.), quarterly fixed-income portfolio reviews with both the Crédit Agricole S.A. Group Risk Management department and with the Amundi Credit Risk teams, within the context of asset management services outsourced to Amundi.

The entities also have their own Risk scorecard. Any anomalies identified, any non-compliant accounting classifications as well as any instances where limits fail to be met, are reported to the entity's appropriate management levels, to Crédit Agricole Assurances and to the Crédit Agricole S.A. Risk Management and Permanent Controls department, depending on the procedures laid down.

Within this context, significant incidents disclosed when internal control procedures are applied are the subject of an alert procedure for which the trigger thresholds associated with each type of risk identified have been scaled by the entities in proportion to their respective size.

The Board of Directors of Crédit Agricole Assurances has approved the threshold, in terms of financial impact, above which it is informed of any significant incident at Crédit Agricole Assurances or one of its subsidiaries, as well as the tolerance threshold for the cost of operational risk over one year under the risk appetite system.

Lastly, the internal operations and procedures control system also aims at ensuring that the corrective measures decided upon are implemented within reasonable time limits. Checks are also made to ensure that the Crédit Agricole S.A. Group compensation policy, and the associated internal controls, have been implemented, in application of measures relating to the compensation of executive managers and risk-takers within the Crédit Agricole S.A. group, as defined by the regulation.

With regard to liquidity risk, and in accordance with regulations, the entities have developed specially adapted approaches, with the aim of measuring their capacity to handle shock situations affecting both their liabilities (increase in non-life insurance benefits, large-scale redemptions of life insurance policies, etc.) and their assets (market deterioration) and likely to affect their cash position.

Financial risks related to the effects of climate change

Crédit Agricole Assurances Group exposure to financial risks related to climate change consequences can be classified, according to the industry's drive, in physical risks and transition risks, knowing that there can also be reputational risks in the long term.

The CSR (Corporate social responsibility) activity reports directly to Crédit Agricole Assurances' Executive Committee. The CSR system is managed by the CSR manager within the Group's Corporate Communication and CSR department in line with the Crédit Agricole Group's CSR approach and according to a strategy presented to the Board of Directors.

Direct physical risks are, for instance, the destruction of goods caused by adverse climatic events such as hurricanes, floods or drought, the excess frequency of which can affect the technical results of Crédit Agricole Assurances Property and Casualty business and, besides, cause a decrease in the value of the investments affected by these risks. Moreover, these physical risks can be source of interruptions of the cycle of production of Crédit Agricole Assurances. In front of such a risk, Crédit Agricole Assurances has set in place a business continuity plan as described in the section "Internal control system for the security of information systems and business continuity plans" of the Risks factors (Section 5 of the Crédit Agricole Assurances registration document).

In its Property and Casualty business, Crédit Agricole Assurances is exposed, among others, to the disaster risk, in particular climatic risk.

The climate effect's isolation in the statistical laws used in property and casualty insurance is uneasy. The monitoring of this risk is included in the monitoring of insurance technical risks. Pacifica, Crédit Agricole Assurances'property and casualty subsidiary, determines annually a climatic risks budget and follows-up disasters due to exceptional climate-related events (floods, storms, droughts) actually recorded during the year, by comparing them with the budget.

The transition to a green economy could impact the business model of some investments and decrease their value. These new risks are taken into account in the investment process of the Investments Division of Crédit Agricole Assurances which integrates extra-financial criteria into the choice of issuers.

The impacts in terms of image and reputation could result from investments in activities in contradiction with environmental protection policies. As indicated above, the compliance function watches to protect the reputation of Crédit Agricole Assurances Group including in its investments.

The measures taken by Crédit Agricole Assurances to reduce the climatic risks by implementing a low-carbon strategy are developed in the section "economic, social and environmental Information" of the Crédit Agricole Assurances registration document.

In a nutshell, the low carbon strategy concerns two main axes: the reduction of the direct carbon footprint of the functioning of Crédit Agricole Assurances Group (energy consumption, transport) and the consideration of environmental criteria in the investment decisions. As regards the investments, the fixed income investments

are scanned through Amundi "Socially Responsible Investment" (SRI) filter. Least well noted issuers, according to these criteria, are not invested in or investments are limited. Thus the coal industry, in particular, was excluded from the investments of Crédit Agricole Assurances Group. Besides, a policy was implemented on real-estate energy performances improvement for assets in portfolio (through obtaining a label). Crédit Agricole Assurances Group also takes part to think tanks within Crédit Agricole Group and within other insurers about the contribution of financial investments to achieve the objective of limiting global warming.

Besides, Crédit Agricole Assurances Group's offer tries to promote responsible behaviors for its customers through, for instance, fee reduction for the drivers of hybrid or electric vehicles or the insurance of renewable energy installations, in case of disasters in householder's comprehensive insurance policies.

Finally, in 2018, Crédit Agricole Assurances adopted a Code of Conduct that includes a section on social, environmental and societal issues.

Permanent control system

The Crédit Agricole Assurances permanent control system complies with the principle of subsidiarity defined by the Crédit Agricole S.A. Risk Management department. Each subsidiary has its own permanent control system which is based on a set of core operational and specialised controls carried out by dedicated agents exclusive to the subsidiary.

Within the entity's departments and services, manuals and procedures describe the processes to be implemented as well as related permanent operational controls. These particularly concern compliance with limits, risk strategy and authorisation regulations, the approval of operations and their correct outcome, etc.

The system has now been put into use worldwide, although organisational changes or new activities still require periodic adjustments or additions to be made to the system.

Within the context of the implementation of the decree of 3 November 2014 on the internal control of companies in the banking sector, resources dedicated to last-line permanent control, independent of the operating units, working on the main categories of risk to which the entity is exposed, are grouped together under the authority of the Risk Management and Permanent Controls Officer.

Where control points have not been incorporated into automatic processing systems (blocks on data entries, checks for consistency, etc.), these are defined with the aid of a risk map, which is updated on a yearly basis.

The results are made into formal check-lists and are the subject of summary reports, on the one hand, for running the system, in conjunction with the Operational Managers and, on the other, for the attention of the Executive Management within the context, particularly of the Risk Management and Internal Control Committees. The heads of the control functions also receive the main reports issued by the operating departments. Corrective plans of action are set up for any anomalies that these different methods detect.

Non-compliance risk control system

The aim of this system is to protect against risks of non-compliance with laws, regulations and internal standards and, in particular, to prevent money laundering and to combat the financing of terrorism, to prevent and combat fraud and to protect customers. Specific means of managing and monitoring operations were implemented: staff training, adoption of written internal rules, permanent compliance control, fulfilment of reporting obligations to supervisory authorities, etc.

These systems are subject to additional monitoring by the Crédit Agricole Assurances Group's Compliance Officer.

Besides, actions were taken to coordinate and implement, at all levels within the Group, the regulatory projects (Insurance Distribution Directive, General Data Protection Regulation, "Sapin 2" law in particular) as well as issues belonging to the compliance and financial security fields as the application of the 4th Directive or the treatment of life insurance contracts that have not been unwounded. The monitoring of the remedial project concerning the international penalties (OFAC) also allows coordinating the actions undertaken by the various companies.

Following the enhancement of the untying between property loan and borrower insurance (ACPR vigilance to be sure that free choice can be exercised without operational limitation), a project steered by Crédit Agricole Group makes sure that the implementation of this regulation by the retail banking networks is well done.

Internal control system for the security of information systems and business continuity plans

This system covers information systems and business continuity plans, for which procedures and controls aim at ensuring a satisfactory level of security with regard to major risk scenarios (internal/external fraud, wide-scale virus attack, physical destruction of a production site, inaccessibility of a vital piece of software and its backup, etc.) approved by the Crédit Agricole S.A.

Security levels are measured every six months and tests are carried out on a regular basis. Plans are drawn up to improve any weaknesses.

Actions have been taken to secure protection against cyber-attacks.

The national crisis management system (in which the entities participate *via* their designated crisis officers) is tested every three months.

An Insurance Group function continuity plan initiative, aiming at preventing "compartmentalising" should one of its entities suffer damage, was introduced with cross-business line tests involving both French insurance subsidiaries, IT entities and the distribution network (Regional Banks and LCL). Emergency tests were conducted by simulating alternatively a complete loss of each computer centers owned by Crédit Agricole in the Centre region.

In addition, Crédit Agricole Assurances Group uses the Saint-Denis site as a user fall-back site, which is part of the Crédit Agricole Group Eversafe pool of user fall-back sites, and tests it periodically.

Internal control system for accounting and financial information

Roles and responsibilities in the preparation and processing of Financial Information

Within Crédit Agricole Assurances Group, three functions are the main contributors in terms of preparing accounting and financial information for publication: Accounting, Management Control and Financial Communication, this information being mainly based on accounting data and management data.

Managers of these functions, who are members of the Finance department of the holding company and its subsidiaries, report to their line manager, the Chief Financial Officer, within their respective entities.

The Crédit Agricole Assurances Group holding company's role is to lead and co-ordinate the Finance Group function within insurance companies, its subsidiaries. It bases its IT standards and organisation on Crédit Agricole S.A. Group principles, which it adapts and supplements to meet the specific requirements of the insurance sector.

Each subsidiary has the means to ensure the quality of the accounting and management data forwarded to the holding company for consolidation purposes. Subsidiaries must comply with the following principles: compliance with current standards applicable in the Crédit Agricole S.A. Group, consistency of the consolidated financial statements with parent company financial statements approved by its decision-making body, reconciliation of accounting and management reporting figures.

Accounting Data

Each Crédit Agricole Assurances Group entity has responsibility, towards the supervisory authorities to which it reports, for its own financial statements, which are approved by its decision-making body. Crédit Agricole Assurances prepares its consolidated financial statements in accordance with current accounting standards apllicable in the Group Crédit Agricole, distributed by Crédit Agricole S.A. and Crédit Agricole Assurances.

Crédit Agricole Assurances'Accounting and Consolidation department uses accounting and financial information systems which allow it to process data under satisfactory security conditions.

Management Data

When published data is not extracted directly from accounting information, the sources and definition of the calculation methods used are generally referred to so as to make the data easier to understand.

Management data mainly comes from the Management Control function. It may also come from external sources of information (Fédération Française de l'Assurance, Argus de l'assurance), particularly for the information relative to market shares. The management data used by Crédit Agricole Assurances is subject to accounting controls (particularly for data covered by the application of IFRS 7) to ensure that this information is accurately reconciled with accounting data, as well as compliance with management standards set by the executive body and the reliability of management data calculations.

Management data is prepared using calculation methods and methodologies that ensure the comparability of figures over time.

Description of the permanent accounting, financial and prudential Information control system

An Accounting Control Charter has been formalised within Crédit Agricole Assurances Solutions (Predica, CACI, Crédit Agricole Assurances Holding). It describes the general organisation of the control system, the roles and responsibilities of those conducting the controls and the way in which results are fed back.

Permanent accounting and financial information control objectives are to provide an independent view of the accounting and financial information production system through the implementation of a risk-based approach by:

- using the reports of the results of controls performed by the business lines on a recurring basis and after the closing of the accounts;
- carrying out thematic missions on subjects presenting risks.

This control system complies with the minimum standards for internal control, namely:

- compliance of data with legal and regulatory requirements and with Crédit Agricole Group standards;
- reliability and fair representation of data, making it possible to give a true and fair view of the financial position of Crédit Agricole Assurances and its consolidation scope;
- security of data preparation and processing procedures, limiting operational risks, with regard to Crédit Agricole Assurances'commitments in terms of published information;
- prevention of the risk of fraud and accounting irregularities.

To meet these objectives, Crédit Agricole Assurances implemented the general recommendations for the deployment of permanent accounting control within the area of accounting and financial information control. Thus, a mapping of risks relating to accounting processes within the Crédit Agricole Assurances Solutions scope was launched in 2018 and will continue in 2019. As the aim is to integrate a harmonised methodology within the Group, its development is carried out jointly with the business lines and the teams of the shared permanent control. The newly formalised alert procedure at Crédit Agricole Assurances Solutions also covers accounting risks.

Permanent accounting and financial information control (second degree control, second level) is carried out by the Permanent Control of the corporate entity Crédit Agricole Assurances, under the responsibility of the Crédit Agricole Assurances Group Risk and Control department.

Permanent accounting and financial information control is based on risk assessment and accounting process controls managed by the operational services:

- first-degree accounting controls conducted by Operating departments, Back Offices (or, in some cases, by Key Outsourced Accounting Service Providers);
- second-degree, first-level controls conducted by the accounting audit unit.

This assessment must enable the Crédit Agricole Assurances accounting and financial information Permanent Controller to draw up a controls plan and implement corrective measures to improve, if necessary, the financial information preparation and processing system.

Following the entry into force of Solvency 2 since 1 January 2016, the permanent accounting and financial Information control system was extended to the prudential information.

Relations with the Statuory Auditors

In accordance with current professional standards, the statutory auditors perform those procedures they deem appropriate on published financial and accounting information:

- audit of the parent company and consolidated annual financial statements;
- partial audit of interim consolidated financial statements;
- overall review of financial information and materials published.

As part of their statutory duties, the statutory auditors submit the findings of their work to the Crédit Agricole Assurances Board of Directors and the Audit Committee.

Periodic controls (Control and Audit/Audit)

The Periodic Controls function or Internal Audit function, within the meaning of the Solvency 2 Directive, is responsible for third-degree controls throughout the consolidated scope of surveillance of Crédit Agricole Assurances, including Key Outsourced Service Providers, in accordance with the Decree of 3 November 2014.

Periodic controls are carried out by a central team in France, the Insurance Audit department, which, on 17 September 2015, was awarded Professional Certification for Internal Audit activities (No. IFACI/2015/0075r, valid until 16 September 2019) by the French Institute of Audit and Internal Control. It is supported by three dedicated teams in subsidiaries in Italy, Poland (property and casualty insurance) and Japan. These controls are independent of the operating units. So as to guarantee its independence, the Crédit Agricole Assurances Internal Audit director reports hierarchically to Crédit Agricole S.A. Control and Audit and functionally to the Chief Executive Officer of Crédit Agricole Assurances. This dual reporting line falls within the operating logic of the Audit-Inspection function of Crédit Agricole S.A. and its subsidiaries.

In accordance with Solvency 2 requirements, the Board of Directors of Crédit Agricole Assurances Group and the Boards of Directors of its insurance subsidiaries approved the appointment of a person responsible for the Internal Audit key function at the Group level and its subsidiaries. Then this appointment was approved by the competent national supervisory authority.

The annual audit plan was prepared using a risk-based approach. It is part of a five-year plan. It is based on a risk map updated on an annual basis. It was prepared by the Crédit Agricole Assurances Audit department in agreement with the Chief Executive Officer of Crédit Agricole Assurances Group and with the Crédit Agricole S.A. Head of Control and Audit. It is presented to the Risk Management and Internal Control Committee and approved by the Audit Committee.

The Crédit Agricole S.A. Control and Audit function provides a second-level audit of the Crédit Agricole Assurances Group, within the context of the Crédit Agricole Group risk map (critical issues, parent company's systematic audit coverage over the main Crédit Agricole S.A. group subsidiaries).

Controls are in proportion to the nature and intensity of the risks to which all the activities and entities within the consolidated scope of surveillance are exposed, both in terms of their frequency and the resources allocated.

They are conducted using formal methodologies, in line with the annual plan. They aim at ensuring compliance with external and internal rules, risk management, reliability and completeness of the information and risk measurement systems. They focus, in particular, on permanent control and compliance control systems, as well as the activities of the Actuarial function.

The smooth running of the audit plan is monitored by the Crédit Agricole Assurances Group Control and Audit function and by the Chief Executive Officer of Crédit Agricole Assurances. The Internal Audit director also systematically presents a summary of the findings of the published audits to the Risk Management and Internal Control Committee of the Group and its subsidiaries, as well as to the Audit Committees and, at least once a year, to the Boards of Directors.

The audits carried out by the Audit department, the Crédit Agricole Group Control and Audit function or any external audits (conducted by supervisory authorities) are monitored through a formal system. For every recommendation formulated as a result of these audits, this process ensures the effective implementation of corrective measures, by deadlines agreed with the entity's management at the end of the audit. If necessary, the head of the Audit department will submit a statutory disclosure to the decision-making body as a result of this process.

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In accordance with the organisational procedures common to Crédit Agricole Group entities and described above, and with existing systems and procedures at Crédit Agricole Assurances, the Board of Directors, the Executive Management and the relevant parts of the company are provided with detailed information on internal control and exposure to risks, areas of improvement achieved in this area and the status of any corrective measures adopted, as part of a continuous improvement approach. All this information is provided particularly by means of the Annual Report on internal control and risk measurement and monitoring and regular reporting on operations, risks and control.

QUANTITATIVE AND QUALITATIVE INFORMATION

The information in this section complements note 4 to the consolidated financial statements and is covered in the statutory auditors'report on the consolidated financial statements.

Considering the predominance of its savings and retirement activities, the Crédit Agricole Assurances Group is mainly exposed to market risks (equity risk, spread risk) and to asset/liability risks (liquidity and interest rate risk). Crédit Agricole Assurances Group also faces insurance risks. Finally, it is exposed to operational risks, particularly in the execution of its processes, non-compliance risks and legal risks.

GOVERNANCE AND ORGANIZATION OF RISK MANAGEMENT WITHIN CRÉDIT AGRICOLE ASSURANCES

The risk governance system in Crédit Agricole Assurances Group is based on the following principles:

- it is part of the following Crédit Agricole S.A. business lines: the "Risks and Permanent Control" business line, in charge of steering (supervision, prevention) and 2nd degree control, the "Internal Audit" business line, in charge of periodic control, and the "Compliance" business line. In accordance with insurance regulations, the actuarial function completes this system;
- it is headed up by the Risk Management Function of the Crédit Agricole Assurances Group, which manages the "Risks" business line, supervises the frameworks, thanks in particular to the reporting elements set up with the subsidiaries, and ensures that subsidiaries' risk management systems are compliant through Group standards and principles. To ensure a consistent and overall Group approach covering all risks, the holding company relies on the expertise of the Crédit Agricole Assurances Group, which are largely located in Crédit Agricole Assurances Solutions (CAAS) since 1 April 2017 (grouping together the employees of Crédit Agricole Assurances Holding, Predica, CACI and Caagis under the new common employer CAAS);
- 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 is based on:

- the governance bodies, in particular Executive Management composed of the Chief Executive Officer (CEO) and the second executive officers, and the Board of Directors, who hold ultimate responsibility for Crédit Agricole Assurances Group compliance with all applicable statutory and regulatory provisions;
- Crédit Agricole Assurances Executive Committee, which is the primary strategic body of the Group's Executive Management. It is supported by Group Committees (in particular the Finance Committee, the Risks and Internal Control Committee, the ALTM Committee);
- the four key functions (Risk, Compliance, the Actuarial function and Internal audit). Each of them is embodied by a representative who has been appointed by the CEO, approved by the Board of Directors and notified to the competent national supervisory authority. The coordination of the four key functions is ensured by Crédit Agricole Assurances Group Risks and Internal Control Committee. The heads of the key functions have a direct access to the Board of Directors to whom they introduce the results of their activity 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 risks policies are validated by the Board of Directors.
- the internal process for evaluating Crédit Agricole Assurances Group's solvency and risks (ORSA), synchronised with other strategic processes MTP/Budget, Capital planning and the updating of risk strategy and business policies. The forward-looking assessments, based on the medium term plan horizon, allow us to analyse the consequences of adverse situations on the control indicators of the Group and take the necessary measures in case of need.

Organisation of risk management

The risks management framework of Crédit Agricole Assurances Group is monitored by Crédit Agricole Assurances Group's Manager in charge of the risk management function, who represents Crédit Agricole Assurances Group's Risks function. He reports functionally to Crédit Agricole Assurances'CEO and hierarchically to the Group Chief Risk Officer (CRO) of Crédit Agricole S.A. He relies on the Risks Manager of each local entity who report directly to him. Insurance risk is organised along the lines of a matrix structure integrating entity level organisation with Group approaches by type of risk.

The hierarchical reporting line guarantees independence, with a "second glance" role (to issue an opinion) to back the operating functions, which manage risks on a daily basis, make decisions and exercise first-level controls to ensure their processes are performed properly.

Risk management procedures

At Crédit Agricole Assurances Group level

To carry out its strategic orientations, by containing and regulating its risks in a proper manner, Crédit Agricole Assurances Group has implemented a risk appetite which has to be observed. This risk appetite, which forms the basis of the Risk Management Strategy, is declined in key indicators by nature of risks.

The Crédit Agricole Assurances Group's Risk strategy formalizes the risk management framework, including limits and alert thresholds, for the various risks to which it is exposed in implementing its strategy.

It is reviewed at least once a year and validated, as well as the risk appetite declaration, by the Board of Directors of Crédit Agricole Assurances, after review by the Credit Agricole S.A. Group Risk Management Committee (a sub-Committee of Crédit Agricole S.A.'s Executive Committee, chaired by its CEO) of the main indicators and limits. With regard to limits of their responsibilities, the Crédit Agricole Assurances Executive Management or even the Group's Risk Management of Credit Agricole S.A is notified of any breaches of alert thresholds or limits and resulting corrective measures.

The quarterly Group Risk report, supplemented by a monthly reporting on financial risks, which is updated based on standardised risk management indicators, is used to monitor Crédit Agricole Assurances Group's exposure profile and to identify potential deviations.

Any crossing of the tolerance threshold of one of the indicators of the appetite matrix is reported to the Board of Directors which is also regularly informed about the respect of the appetite framework.

The Crédit Agricole Assurances holding company has set up bodies to manage risks consistently at Group level: a bi-monthly Risk Monitoring Committee, a monthly Financial Risk Committee, and portfolio reviews by asset type, with news items being presented to the Executive Committee on a monthly basis.

Moreover, Crédit Agricole Assurances has set up a Group-wide Insurance Models Committee, steered by the Group Risk function. The role of the Insurance Models 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 Crédit Agricole Assurances Group.

At the entity level

In accordance with the Group framework, companies define their own risk monitoring and control systems: risk and process mapping, adaptation of the risk appetite matrix and, the Crédit Agricole Assurances Group limits in accordance with a process coordinated by the holding, taking into account, if necessary, the life and non-life companies'features.

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 transposed by each entity, which set out the scope and rules for decentralised decision-making.

Operational risk management is supervised in each entity by Committees that meet periodically (investment, ALM, technical, reinsurance, etc.) to monitor developments in the risk position, based on reporting by business lines, to present analyses to support the risk management process, and, if necessary, to draw up proposals for action. Alerts are triggered if main incidents (and breaches of limits) occurred and notified either to the Crédit Agricole S.A. Group Risk Management department (Crédit Agricole Assurances Group limits), to Crédit Agricole Assurances Executive Management, or to the entity's management. Corrective measures are implemented in response.

The risk management system is reviewed during the Risk and Internal Control Committees of each subsidiary, in the light of the results of ongoing controls, the analysis of their risk management dashboards and the conclusions of periodic control missions.

MARKET RISKS

In view of the predominance of savings activities in the French and international (Italy mainly) life insurance subsidiaries and, as a consequence, the very large volume of financial assets held to cover policyholder liabilities, Crédit Agricole Assurances Group is particularly affected by market risks.

The market risk is the risk of loss, arising from fluctuations relative to the prices of financial instruments, which compose a portfolio.

Crédit Agricole Assurances Group is exposed to several types of market risk:

- interest rate risk;
- equity risk;
- foreign exchange risk;
- counter-party risk, both from the point of view of default (bond portfolio issuers, OTC transaction counterparties) and movements in the issuer spread. This risk is detailed 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 of liabilities and, particularly in life Insurance, guarantees granted to policyholders (minimum guaranteed rate, floor guarantee, etc.).

Liquidity risk is monitored specifically.

Hence, the financial policy of Crédit Agricole Assurances Group includes an ALM supervision aimed at reconciling the objectives of conserving ALM balances, delivering shareholder value, and seeking yield for policyholders. This supervision is based on "risk/yield" analyses and "stress scenarios", to identify the characteristics of the amounts to invest, the requirements and objectives over short/medium and long term horizons, and a market analysis, supported by economic scenarios, to identify opportunities and limitations in terms of the environment and the markets.

Crédit Agricole Assurances'Investments department contributes to monitoring the investment policies of Crédit Agricole Assurances Group and of the subsidiaries (taking into account individual ALM requirements and financial objectives), which are submitted to their respective Boards for approval. As such, 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 Crédit Agricole Assurances Group companies (in real estate in particular), as part of the policy of diversification.

INTEREST RATE RISK

Type of exposure and risk management

Interest rate risk is the risk of a change in the value of the bond portfolio due to upward or downward movements in interest rates.

Crédit Agricole Assurances Group's bond portfolio, excluding unit-linked policies, amounted to €269 billion at 31 December 2018, up from €249 billion at the end of 2017.

Interest rate risk for life insurance companies is linked to interactions between assets (financial management) and liabilities (policyholder behaviour). Management of this risk requires an overarching approach combining financial strategy, constitution of reserves, sales and income policies. Crédit Agricole Assurances'framework for managing interest rate risk sets out the limits on risks and the related governance (ALM Committee, presentation of stress scenarios to the Board of Directors, etc.).

A context of low interest rates weighs on the profitability of the life-insurance activity of Crédit Agricole Assurances: it leads to a situation where the yield on the securities entering the portfolio is lower than the rates served on life insurance policies. 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 issue of policies that feature a minimum guaranteed return greater than zero (since 2000 for the main French life insurance company), so that the average minimum guaranteed return has consistently reduced;
- moderation of profit sharing distributed;
- hedges using bond assets and swaps/swaptions to manage reinvestment risk;
- adaptation to the very low rates environment of the assets/liabilities management and of the investments policies;
- prudent diversification of investment assets;
- adaptation of the sales policy, favoring inflows towards unit-linked policies.

Crédit Agricole Assurances is exposed to a risk arising from an increase in interest rates related to policyholder behavior: a gap between the return rate that can be 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, could result in a wave of early redemptions by policyholders. If the insurer were forced to dispose of assets, notably bonds, with unrealized losses (which would generate losses for the insurer), the yield on the portfolio would be reduced, with the risk of triggering new waves of policy redemptions.

Thus, Crédit Agricole Assurances implements measures to manage the risk of a rate rise:

- 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 provision);
- derivative products against a rise in rates;
- building customer loyalty to limit early redemptions.

Crédit Agricole Assurances Group's dashboard, submitted to the Executive Committee and the Audit and Accounts Committee, includes indications in order to monitor the nature of this risk: average minimum guaranteed rate, coverage rate of bond portfolio, allocation to reserve funds...

Analysis of sensitivity to rate risk

Technical liabilities

Crédit Agricole Assurances Group's technical liabilities are largely insensitive to rate risks for the following reasons:

- savings provisions (over 90% of technical provisions, excluding unit-linked policies): these technical provisions are based on the pricing rate, which is unchanging over time for any particular policy. As a result, a change in interest rates will have no impact on the value of these commitments;
- property & casualty provisions: these technical provisions are not discounted to present value and changes in interest rate, and therefore have no impact on the value of these commitments;
- mathematical provisions 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 small amount of these technical commitments, they represent no significant risk for Crédit Agricole Assurances Group.

Financial investments

The sensitivity to rate risk of Crédit Agricole Assurances Group's fixed income portfolio provides an assessment of a rates change's impact. It assumes a 100 basis points rise or fall in interest rates, as follows (net of the impact on deferred policyholder surplus and tax):

	31/12/2018		31/12/2017	
(in € millions)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
100 pp rise in risk-free rates	(204)	(2,114)	(110)	(2,016)
100 pp decline in risk-free rates	204	2,116	123	2,000

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.

Impacts on securities recognised at fair value through other comprehensive income are recorded in equity. Impacts on securities recognised at fair value through profit or loss are recorded in profit or loss.

As a reminder, Crédit Agricole Assurances 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 accounting standard (this approach is presented in the note 1 to the consolidated financial statements). Impacts on designated financial assets are recorded in equity.

Financing debts

Borrowings arranged by Crédit Agricole Assurances mainly pay fixed rates. Interest is therefore largely insensitive to rate changes.

EQUITY RISK AND RISKS KNOWN AS DIVERSIFICATION ASSET 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). The market risk relative to shares and other diversification assets is defined as a risk of volatility in terms of valuation and, therefore, of accounting provisioning that may have an impact on the return provided to policyholders (provision for lasting 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 making up the total portfolio are presented in note 6.4 and the fair value of financial assets and liabilities recognized at cost in the balance sheet in note 6.5.1 of the consolidated financial statements, included in Crédit Agricole Assurances'registration document.

Analysis of sensitivity to equity risk

A quantified assessment of equity risk can be expressed by the sensitivity achieved assuming a 10% rise or decline in equity markets (impacts are shown net of deferred policyholder surplus and tax):

	31/12/2018		31/12/2017	
(in € millions)	Impact on net income	Impact on equity	Impact on net income	Impact on equity
10% rise in equity markets	74	148	37	163
10% decline in equity markets	(74)	(147)	(40)	(163)

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, provisions for guaranteed minimum return and provisions for the right to withdraw from unit-linked policies as well as any additional impairment provisions required by a decline in equity markets.

Changes to the fair values of financial assets recognised at fair value through other comprehensive income are recognised in reserves for

unrealised gains or losses (in equity); all other items are recognised in profit or loss.

In addition, Crédit Agricole Assurances 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 accounting standard (this approach is presented in the note 1 to the consolidated financial statements). Impacts on designated financial assets are recorded in equity.

FOREIGN EXCHANGE RISK

The foreign exchange risk may be defined as a risk of loss in relation with the fluctuations of the exchange rate of each currency compared to euro. Regarding Crédit Agricole Assurances, this risk is very marginal as shown by the sensitivity to foreign exchange risks, assuming a 10% rise of decline in each currency against euro, is as follows (impacts are presented net of deferred policyholder surplus and tax):

	31/12/2018		31/12/2017	
(in € millions)	**Impact on net income**	**Impact on equity**	**Impact on net income**	**Impact on equity**
Exchange rate sensitivity on financial instruments: +10% of each currency compared to euro	(0.1)	0.1	(15)	18
Exchange rate sensitivity on financial instruments: -10% of each currency compared to euro	0.1	(0.1)	13	(14)

Crédit Agricole Assurances'exposure to foreign exchange risk falls into two categories:

- a limited structural exposure: in yen for the CA Life Japan subsidiary, with a coverage ratio of 88% (limited net exposure at JPY 1,153 million at the end of 2018, the equivalent of €9 million) and in PLN for the CA Insurance Poland subsidiary with a coverage ratio of 92% (net exposure of PLN 3.3 million, equivalent to €0.8 million).
- operational foreign exchange exposure arises from a mismatch between the asset's currency and that of its liabilities: 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 regions, using dedicated funds.

The general 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.

The effective exposure, measured monthly, is compared to the limits. At the end of 2018, it was not material (0.3% of the total portfolio), and was mainly on emerging currencies.

LIQUIDITY RISK

Type of exposure and risk management

Regarding Crédit Agricole Assurances, the liquidity risk corresponds mainly to its ability to meet its current liabilities.

With this purpose, the companies use a combination of 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 ALM policy:

- for life insurance companies, these systems are intended to ensure a match between the maturities of assets and those of liabilities under normal and stressed conditions (wave of redemptions/deaths, see below the liquidity monitoring indicator). They aim to ensure liquidity in the long term (monitoring and limiting of annual cash run-off gaps), medium term (so-called "reactivity" ratio), and, in case of uncertainty regarding net inflows, short term (one-week and one-month liquidity, with daily monitoring of redemptions). In exceptional circumstances where markets are unavailable, the Group also plans temporary liquidity management approaches (repos with collateral in cash or European Central Bank eligible assets);
- for non-life insurance companies, liquidities or assets that have 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 over a one-year period the ratio between stressed liquid assets (appreciation of a discount) and a liquidity requirement generated by a 40% buyback rate.

Maturity profile of the financial investment portfolio

Note 6.6 to Crédit Agricole Assurances Group's consolidated financial statements presents maturities for the bond portfolio (excluding unit-linked contracts).

Breakdown in financial liabilities by contractual maturity

Note 6.23 to Crédit Agricole Assurances Group's consolidated financial statements provides information on the estimated maturities of Crédit Agricole Assurances insurance liabilities (excluding unit-linked contracts whose 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 its financing debts and their breakdown by maturity is shown in note 6.21 to Crédit Agricole Assurances Group's consolidated financial statements.

COUNTERPARTY RISK

The counterparty risk is the loss risk linked to the default of an issuer. This risk is reflected for debt securities by the decrease of their value.

This section only deals with counterparty risk on financial instruments. Exposure to counterparty risk on reinsurers'receivables is covered in the section on insurance risk.

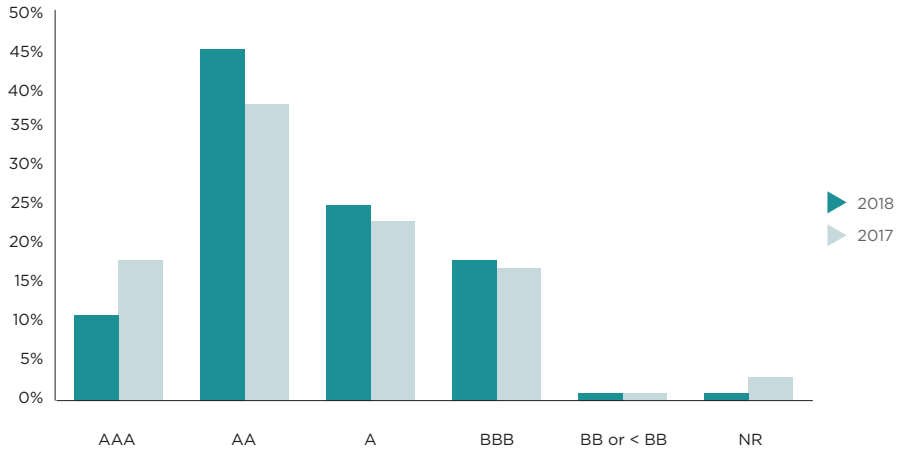
Amundi's risk management teams perform the analysis of counterparty risk for issuers and for OTC market transactions (derivatives) under the mandates granted to them by the insurance companies.

Counterparty risk is contained overall for Crédit Agricole Assurances Group and at portfolio level for each entity in Crédit Agricole Assurances Group, on the basis of limits in terms of ratings, issuer and sector concentration.

Hence, aggregate limits are placed to manage the breakdown of issues between rating classes. The rating used, called "Solvency 2", corresponds to the second best of the three S&P, Moody's and Fitch ratings. The share of "high-yield" issues held directly (including after a rating downgrade that does not affect repayment capacity), or indirectly *via* specialist funds, is subject to strict limits. BB is the minimum rating authorised. In the context of the shift in focus since mid-May 2012 from fixed income to corporate bonds, subject to a maximum exposure limit for the sector, the investment universe was expanded to issuers not rated by an external rating agency, but with an internal Crédit Agricole S.A. investment grade equivalent rating (BBB-) as a minimum requirement, according to a rigorous selection process and in a limited proportion (around 1% of the portfolio at the end of December 2018).

The breakdown of the bond portfolio by credit rating is a good indication of its creditworthiness.

The bond portfolio (excluding unit-linked policies) 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 10 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. Group.

Concentrations on sovereign and assimilated debt are subject to individual limits according to debt-to-GDP ratio and the country's credit rating.

The debt exposure on the peripheral euro area countries (Greece, Italy, Portugal, Spain) is reduced. For the sovereigns, it is concentrated on the Italian sovereign held by Crédit Agricole Assurances' Italian subsidiary.

Cash collateral contracts are used to manage counterparty risk for over-the-counter derivatives used by companies to hedge exposure to rate risk and presented on their balance sheets.

INSURANCE RISKS

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 Risks, Compliance, the Actuarial function and Legal Affairs, to manage risks when new insurance products are created or substantial changes are made to the features or an existing product. Products are approved by an *ad hoc* Committee (New Business and New Product Committee).

Underwriting risk

Underwriting risk takes different forms depending on the nature of the insurance, life or non-life:

Life insurance underwriting risk

Through its Savings and Death & Disability activities and life insurance guarantees in respect of its creditor insurance, Crédit Agricole Assurances is exposed to biometric risks (longevity, mortality, disability, long-term care risks), loading risk (insufficient loading to cover operating expenses and commission paid to distributors), but most of all to behavioural risk, *i.e.* the risk of early redemption of policies related to rapid interest rate rises or a deterioration in trust in Crédit Agricole Group or legal developments such as the Bourquin amendment to the Sapin 2 law.

Life insurance technical reserves, recognised in the main by French companies, are chiefly constituted from savings denominated in euro or unit-linked contracts. For the majority of unit-linked contracts, the risk of fluctuation in the value of the underlying is borne directly by the policyholder. Some contracts may include a floor guarantee in the event of the death of the insured. The insurer is thus exposed to a financial risk determined by the value of the unit-linked account and the probability of death of the insured. A technical provision 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.

For the death and disability activity, the creditor insurance and yields, the underwriting policy, which specifies the risks covered and the underwriting conditions (target customers, exclusions), and pricing standards (notably the statistical tables established either from national or international statistics or from experience tables) help to control risk in this area.

"Disaster" risk, related to a mortality shock (e.g. a pandemic) is liable to have an impact on the results for individual or group death and disability insurance. The French life insurance subsidiary receives BCAC coverage (Bureau Commun des Assurances Collectives), both on group death benefits and individual death and disability benefits, as well as, in part, supplementary coverage of disability risk.

Non-life insurance underwriting risk

For property & casualty insurance and non-life guarantees included in creditor insurance policies, the underwriting risk can be defined as the risk that the earned premiums are not sufficient compared to the claims outstanding. Credit Agricole Assurances is mainly exposed to frequency and exceptional risk arising either from disaster risk, mainly climate risk, or the occurrence of expensive individual claims.

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 optimize technical margins). Formal rules and procedures for pricing are also drawn up.

The ratio of claims paid to premiums earned is compared against targets. 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 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 events (storms, natural disasters, etc.), under a reinsurance policy (see reinsurance risk below) that incorporates this dimension.

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 developments, or new risks for which statistical depth is inadequate, etc.) or to a change in risk factors (population ageing, for example, leading to increased long-term care risks or health

issues, stricter laws governing professional civil liability, personal injury compensation, etc.).

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 for property and casualty claims, on a case-by-case basis according to the products and guarantees affected, are documented and the management rules applied by claims managers are set out in the manuals.

The choice of statistical methodology to calculate accounting provisions (including provisions for late payment) is justified at each reporting date.

The local permanent control plan encompasses control of provisioning policy.

The statutory auditors perform an actuarial review of provisions as part of the annual audit.

The breakdown in technical provisions pertaining to life and non-life insurance contracts is presented in note 6.23 to the consolidated financial statements.

Reinsurance risks

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 their full 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).

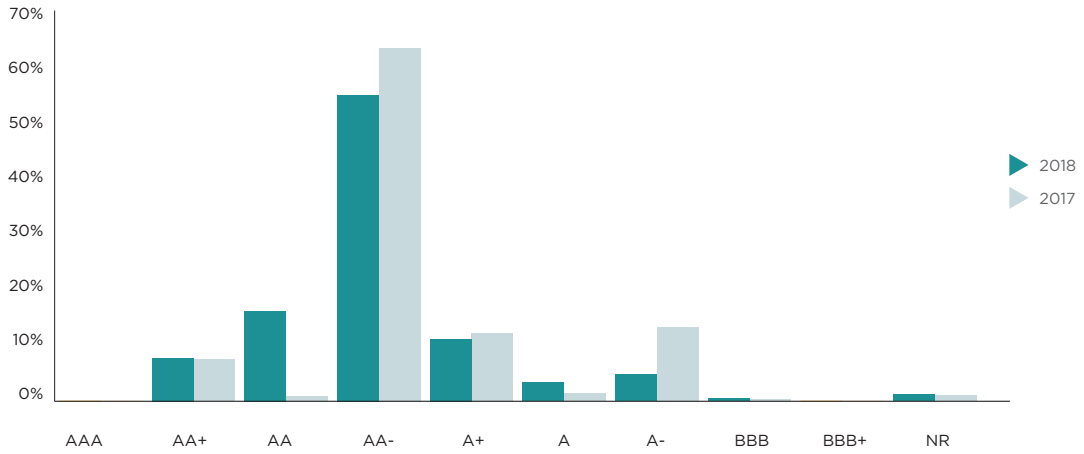
Each company draws up its own reinsurance plan aimed at protecting equity in case of systemic or exceptional events and at limiting volatility in the company's results, based on the principles of Crédit Agricole Assurances Group's strategy for common and uniform risks limitation, namely:

- contract with reinsurers that meet minimum financial soundness criteria, with reinsurers' ratings monitored at Crédit Agricole Assurances Group level;
- ensure adequate dispersion of premiums across reinsurers;
- monitor 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 €0.7 billion at 31 December 2018.

Their breakdown by reinsurer rating is as follows:



Emerging risks

The Risk Management department is responsible for ongoing monitoring of insurance risk, in cooperation with other business line departments and Legal Affairs.

The Risk Monitoring Committee, which meets twice monthly and is attended by all Risk Management and Permanent Control Officers, is also tasked with anticipating developments in the regulatory and legal environment and identifying emerging risks.

Intelligence data is input 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) and the European regulator, EIOPA, etc).

OPERATIONAL RISKS

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.

Crédit Agricole Assurances entities apply Crédit Agricole S.A. Group directives on operational and compliance risk management.

The operational risk management system in each entity, including the holding, is thus comprised of the following components:

- mapping of risk events, periodically updated to include organisational changes, new business and changes in the cost of risk. Mapping is constructed by breaking down activities by process, together with the seven risk categories according to Basel 2 nomenclature. Financial and non-financial impacts (regulatory and image) of actual and potential risk events identified are assessed together with the probability of occurrence, drawing on specific 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 the Crédit Agricole S.A. Group Risk Management department) and the findings of periodic controls to highlight the most critical net risks and prioritise action 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 exploit them to introduce remediation measures and ensure consistency with mapping. The amount of collected losses is compared every quarter to a yearly defined alert threshold.

Crédit Agricole Assurances and its subsidiaries have prepared their business continuity plans (BCP) focusing on essential activities in order to cover a failure of information systems, operational sites and personnel. The business continuity plans meet Crédit Agricole S.A. Group standards, with the adoption of the Group's solution for the user fallback site, the IT back-up plan based on the Crédit Agricole S.A. shared IT operating and production site. It is tested on a regular basis. IT system security is an inherent component of the Group's security policies. A threeyear programme of security projects (including accreditation, intrusion tests, and IT system failure scenarios) is underway.

A Crédit Agricole Assurances Group-wide general outsourcing and subcontracting policy, describing amongst others the monitoring and control system associated with outsourcing, is being rolled out by Group entities.

NON-COMPLIANCE RISK

The risks of non-compliance concern non-compliance with rules relating to financial activities, whether legislative or regulatory in nature (Solvency 2 regulation, securities regulations, protection of personal data, customer protection rules, anti-money laundering and terrorist financing obligations, international sanctions, corruption prevention, etc.), professional and ethical standards and practices, and instructions issued by the executive body. These risks are identified in the operational risk mapping of each Crédit Agricole Assurances Group entity.

In each entity, the Head of Compliance is responsible for the Group procedures issued by Crédit Agricole S.A.'s Compliance department (Corpus FIDES) and for drawing up procedures specific to their business. It also deploys dedicated training and control systems aimed at controlling these risks and preventing fraud, with the constant aim of limiting potential impacts (financial losses, legal, administrative or disciplinary sanctions) while preserving the reputation of Crédit Agricole Assurances Group. In this regard, the launch of new activities and the creation of new products are secured by the new activities and products Committees set up in each entity to examine, among other things, contractual and commercial documents, training baggage and sales support tools for distributors.

The monitoring and supervision of their compliance system is carried out by the Compliance Manager of the Crédit Agricole Assurances Group. Coordination for the Insurance business line is carried out through exchanges with 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.

Crédit Agricole Assurances Group has enhanced its organization and its risk management system to be Solvency II compliant, after modalities précised in the section "Corporate governance" of Crédit Agricole Assurances'registration document.

LEGAL RISK

Responsibility for legal management, regulatory intelligence and consulting with business line departments lies with the companies'Legal Affairs departments.

To date, there is no governmental, judiciary or arbitration proceeding (or any proceeding known by the company, in abeyance or that threatens it) that could have or has had, in the previous 12 months, any substantial effect on the financial situation or the profitability of the company and/or Crédit Agricole Assurances Group.

As far as Crédit Agricole Assurances is aware, there are no significant disputes to disclose.

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CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2018

GENERAL INFORMATION

PRESENTATION OF CRÉDIT AGRICOLE ASSURANCES GROUP

Crédit Agricole Assurances, a Public Limited company with a Board of Directors, is the Crédit Agricole Group's holding company owning, under the control of Crédit Agricole S.A., the Group's participations in various insurance and reinsurance companies in France and internationally.

The purpose of Crédit Agricole Assurances is to acquire and manage participations in insurance and reinsurance companies without directly acting to provide insurance policies or enter into reinsurance contracts.

Crédit Agricole Assurances Group is regulated by the *Autorité de Contrôle Prudentiel et de Résolution*.

Legal information

- Company name: **Crédit Agricole Assurances**
- Company form: French limited liability company (Public limited company) with a Board of Directors
- Registered offices: 50/56, rue de la Procession – 75015 PARIS
- Share capital: €1,490,403,670 (last modified 27 July 2016)
- Place of registration: Tribunal de commerce de Paris
- Company Number: 2004 B 01471

INSEE data

- N° Siren: 451,746,077
- Siret: 451,746,077 00036
- Code NAF: 6420Z (Holding company activities)
- Legal Category: 5599 (Public limited company with a Board of Directors)

Tax information

- VAT registration number: FR 27,451,746,077 (EU intra-community number)
- VAT regime: Real normal

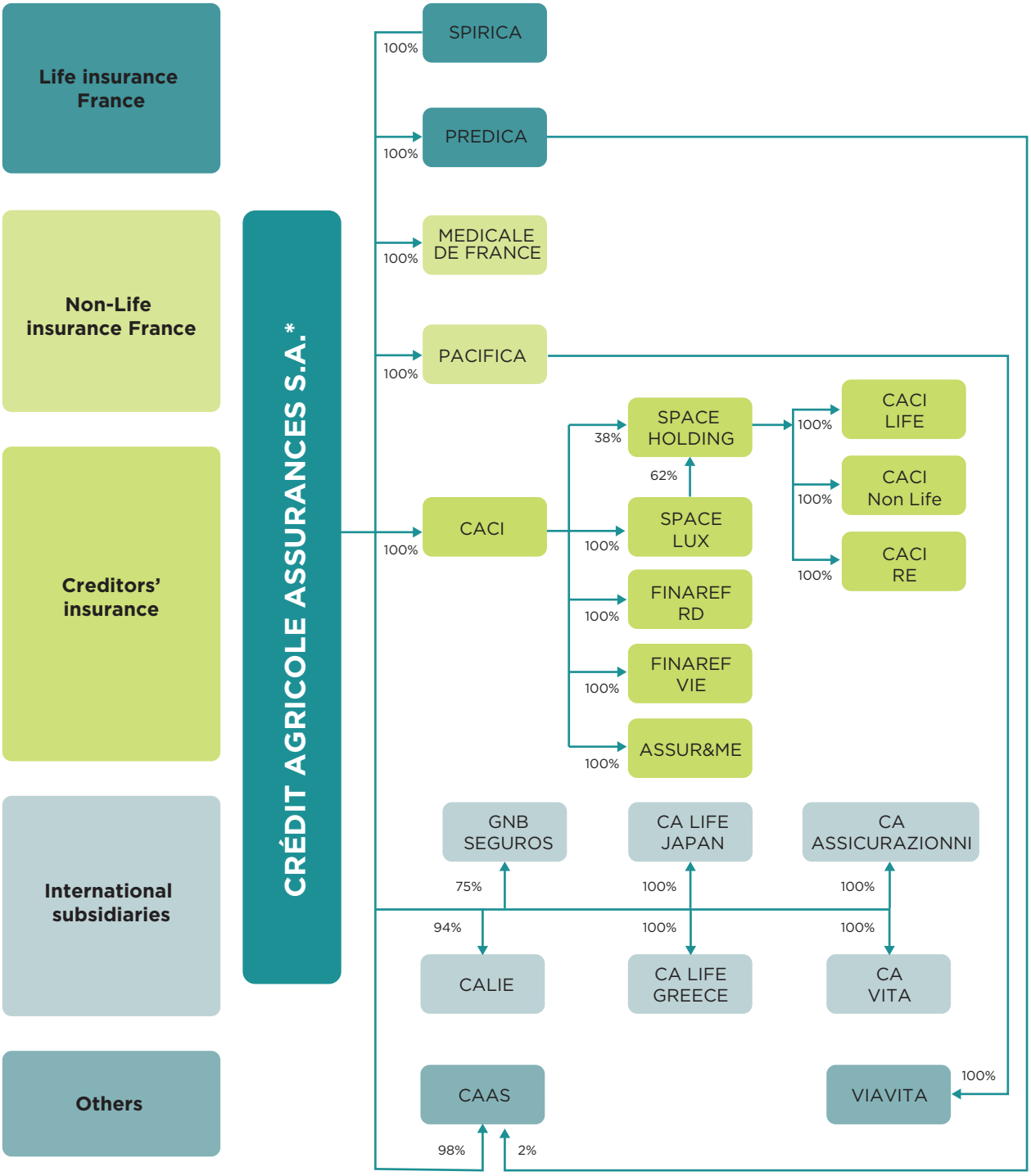
Shareholders

Share capital in Crédit Agricole Assurances consists of 149,040,367 shares of €10 each, held by:

- Crédit Agricole S.A: 99.99%
- Other shareholders: 0.01%

SIMPLIFIED ORGANISATIONAL STRUCTURE OF CRÉDIT AGRICOLE ASSURANCES GROUP

The diagram below represents the scope of consolidation of the Crédit Agricole Assurances Group, with the exception of consolidated structured entities, associates, joint ventures and property investment companies. The whole consolidation scope is presented in note 10.



** The Crédit Agricole Assurances S.A. holding company is presented in « other » under segment information*

RELATED PARTIES INFORMATION

Parties related to the Crédit Agricole Assurances Group are companies within the Crédit Agricole S.A. Group and the main directors of the Crédit Agricole Assurances Group.

Relations with the Crédit Agricole Group

The majority of the financing of Crédit Agricole Assurances is provided by the Crédit Agricole Group.

As at 31 December 2018, €0.8 billion of perpetual subordinated loan notes and €1.7 billion redeemable subordinated loan notes were held by Crédit Agricole Group.

Within its investment portfolio, the Crédit Agricole Assurances Group holds a total of €15.2 billion of securities issued by the Crédit Agricole Group, including €9 billion in assets representing unit-linked contracts.

As part of its bancassurance activities, Crédit Agricole Assurances delegates certain functions to other entities within the Crédit Agricole Group:

- the sale of insurance contracts is carried out through the banking networks of the Regional Banks and LCL in France and abroad and through the networks of international partners (including Cariparma in Italy, Novo Banco in Portugal and CABP in Poland, etc.);
- administrative management of life insurance contracts sold by banking networks is delegated to the distributors (with Regional Banks in turn delegating some elements of this management to CAAS);
- asset management is delegated to specialist entities in various markets (Amundi, CA Immobilier, CACEIS, etc.);
- claims handling in France is managed by SIRCA (a company created by Pacifica and the Regional Banks).

Similarly, retirement benefit obligations of the Crédit Agricole S.A. Group are, in part, covered by collective insurance agreements with Predica. These agreements include the creation of collective investment funds for the purpose of covering retirement bonuses and certain pension schemes, to which contributions are paid by the employer, the management of these funds by the insurance companies and the payment to beneficiaries of bonuses and retirement benefits as set out in the various schemes.

Relationship between companies consolidated by the Crédit Agricole Assurances Group

The list of companies consolidated by the Crédit Agricole Assurances Group is set out in note 10 – Consolidation scope.

Transactions between two fully consolidated companies are completely eliminated.

Intragroup transactions that have been subject to eliminations having an effect on the income statement for the year are presented in note 5 – Segment information.

Relations with main directors

There are no significant transactions between Crédit Agricole Assurances and its main directors, their families or companies under their control which are not included in the Group's scope of consolidation.

CONSOLIDATED FINANCIAL STATEMENT

BALANCE SHEET ASSETS

(in € millions)	Notes	31/12/2018	01/01/2018	31/12/2017
Goodwill	Note 6.1	872	872	872
Value of business in-force	Note 6.2	-	-	-
Other intangible assets	Note 6.2	294	264	264
Intangible assets		**1,165**	**1,136**	**1,136**
Investment property	Note 6.3	6,280	6,103	6,103
Unit-linked investment property	Note 6.3	-	-	-
Financial investments	Note 6.4	297,987	296,280	293,759
Unit-linked financial investments	Note 6.4	59,643	59,635	59,635
Derivative instruments and separated embedded derivatives	Note 6.9	1,705	1,689	1,689
Investments in associates and joint ventures	Note 6.10	3,785	2,864	2,864
Investments from insurance activities	**Notes 6.3 to 6.10**	**369,400**	**366,572**	**364,050**
Reinsurers'share in liabilities arising from insurance and financial contracts	**Note 6.11**	**1,822**	**1,651**	**1,651**
Operating property and other property, plant and equipment	Note 6.12	211	216	216
Deferred acquisition costs	Note 6.13	1,025	971	971
Deferred participation assets	Note 6.24	52	-	-
Deferred tax assets	Note 6.14	59	45	45
Receivables resulting from insurance and inward reinsurance operations	Note 6.15	2,703	2,082	2,082
Receivables resulting from ceded reinsurance operations	Note 6.16	139	84	84
Current income tax assets	Note 6.14	72	262	262
Other receivables	Note 6.17	4,254	4,348	4,348
Other assets		**8,513**	**8,007**	**8,008**
Assets held for sale including discontinued operations [1]		**257**	**265**	**265**
Cash and cash equivalents		**1,365**	**1,897**	**1,898**
TOTAL ASSETS		**382,523**	**379,527**	**377,008**

(1) This amount corresponds to the assets of CA Life Greece.

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BALANCE SHEET LIABILITIES

(in € millions)	Notes	31/12/2018	01/01/2018	31/12/2017
Share capital and equivalent		1,490	1,490	1,490
Issue, merger and transfer premium		7,374	7,375	7,375
Gains and losses recognised directly in equity		2,178	2,912	2,604
Retained earnings and other reserves		2,522	4,369	3,014
Consolidated net income		1,331	-	1,352
Group shareholders'equity	**Note 6.19**	**14,896**	**16,146**	**15,835**
Non-controlling interests		103	98	98
Total shareholders'equity		**14,999**	**16,244**	**15,933**
Provisions	**Note 6.20**	**143**	**162**	**162**
Subordinated debts	Note 6.21	4,512	4,854	4,854
Debt to credit institutions	Note 6.21	1,979	1,973	1,973
Financing debt		**6,491**	**6,827**	**6,827**
Technical liabilities on insurance contracts		162,566	142,739	142,739
Technical liabilities on unit-linked insurance contracts		54,758	50,098	50,098
Technical liabilities on insurance contracts	**Note 6.23**	**217,324**	**192,837**	**192,837**
Technical liabilities on financial contracts with discretionary participation features		85,793	97,253	97,253
Technical liabilities on financial contracts without discretionary participation features		29	41	41
Technical liabilities on unit-linked financial contracts		5,163	9,565	9,565
Technical liabilities on financial contracts	**Note 6.23**	**90,985**	**106,859**	**106,859**
Deferred participation reserve	**Note 6.24**	**16,243**	**23,577**	**21,478**
Technical liabilities		**324,553**	**323,272**	**321,174**
Deferred tax liabilities	Note 6 14	154	530	420
Liabilities towards holders of units in consolidated mutual funds		6,558	6,037	6,037
Operating debt represented by securities		-	-	-
Operating debt to banking establishments		852	285	285
Debts arising from insurance or inward reinsurance operations	Note 6.25	2,515	2,112	2,112
Debts arising from ceded reinsurance operations	Note 6.26	1,389	1,267	1,267
Current income tax liabilities		54	20	20
Derivative instrument liabilities	Note 6.9	18	37	37
Other debts	Note 6.27	24,568	22,503	22,503
Other liabilities		**36,109**	**32,790**	**32,681**
Liabilities held for sale including discontinued operations [1]		**229**	**231**	**231**
TOTAL LIABILITIES		**382,523**	**379,527**	**377,008**

(1) This amount corresponds to the liabilities of CA Life Greece.

CONSOLIDATED INCOME STATEMENT

(in € millions)	Notes	31/12/2018	31/12/2017
Written premiums	Note 7.1	33,534	30,426
Change in unearned premiums		(210)	(213)
Earned premiums		**33,324**	**30,213**
Revenue or income from other activities		**252**	**119**
Investment income	Note 7.2	7,335	7,646
Investment expense	Note 7.2	(370)	(565)
Gains/(losses) on investment net of reversals of impairment and depreciation		41	1,668
Change in fair value of investments recognised at fair value through profit or loss		(6,702)	3,002
Change in investments impairment		(8)	(54)
Amount reclassified as gains and losses recognized directly in equity under the overlay approach		2,157	-
Investment income net of expenses		**2,453**	**11,697**
Claims expenses		**(29,551)**	**(35,877)**
Revenue from reinsurance operations		573	449
Expenses from reinsurance operations		(662)	(578)
Result from reinsurance	**Note 7.8**	**(90)**	**(129)**
Contracts acquisition costs		(2,053)	(1,916)
Amortization of value of business in-force and similar		-	(7)
Administrative expenses		(1,663)	(1,838)
Other current operating income and expenses		(353)	(180)
Other operating income and expenses		(22)	(7)
Operating income	**Note 7.6**	**2,296**	**2,076**
Financing expenses	Note 6.21	(429)	(279)
Income tax	Note 7.9	(523)	(462)
Profit/loss after-tax on discontinued operations [1]		(1)	21
Consolidated net income		**1,341**	**1,356**
Non-controlling interests		(11)	(4)
Net income (Group share)		**1,331**	**1,352**

(1) This amount corresponds to the net income of CA Life Greece.

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NET INCOME AND OTHER COMPREHENSIVE INCOME

(in € millions)	31/12/2018	31/12/2017
Consolidated net income	**1,342**	**1,356**
Foreign exchange differences	1	(1)
Gains and losses on debt instruments recognized in recyclable equity	(4,257)	(715)
Gains and losses on hedging derivatives	54	(140)
Reclassification of gains and losses on financial assets related to the overlay approach	(2,219)	-
Shadow accounting gross of deferred tax	5,335	552
Pre-tax other comprehensive income on items that may be reclassified to profit and loss excluding associates and joint ventures	**(1,086)**	**(304)**
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures, Group Share	**-**	**(7)**
Income tax related to items that may be reclassified to profit and loss excluding associates and joint ventures	**365**	**156**
Income tax related to items that may be reclassified to profit and loss on associates and joint ventures	**-**	**(15)**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**(3)**	**-**
Other comprehensive income on items that may be reclassified subsequently to profit and loss net of income tax	**(724)**	**(170)**
Actuarial gains and losses on post-employment benefits	-	(1)
Gains and losses on equity instruments recognized in non-recyclable equity	(11)	(2)
Accounting reflects gross deferred tax	-	-
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss excluding associates and joint ventures	**(11)**	**(3)**
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	**-**	**-**
Income tax related to items that will not be reclassified to profit and loss excluding associates and joint ventures	**3**	**(4)**
Income tax related to items that will not be reclassified to profit and loss on associates and joint ventures	**(2)**	**-**
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	**-**	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss net of income tax	**(11)**	**(7)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(735)**	**(177)**
NET INCOME AND OTHER COMPREHENSIVE INCOME	**608**	**1,179**
Net income and other comprehensive income – Group share	598	1,174
Net income and other comprehensive income – Non-controlling interests	10	5

STATEMENT OF CHANGES IN EQUITY

(in € millions)	Issued capital and equivalent	Issue, merger and transfer premium	Gains and losses recognized directly in recyclable equity	Gains and losses recognized directly in non-recyclable equity	Total gains and losses recognized directly in equity	Retained earnings and other reserves	Total Group share	Non-control-ling interests	Total consolidated shareholders'equity
CLOSING AT 31 DECEMBER 2016	**1,490**	**7,374**	**2,793**	**(11)**	**2,782**	**3,347**	**14,994**	**34**	**15,028**
Other comprehensive income	-	-	(170)	(8)	(178)	-	(178)	1	(177)
Consolidated net income	-	-	-	-	-	1,352	1,352	4	1,356
Net income and other comprehensive income	**-**	**-**	**(170)**	**(8)**	**(178)**	**1,352**	**1,174**	**5**	**1,179**
Dividend payout	-	-	-	-	-	(261)	(261)	(5)	(266)
Capital operations	-	-	-	-	-	-	-	-	-
Change in scope	-	-	-	-	-	4	4	(7)	(3)
Perpetual sub Debt	-	-	-	-	-	-	-	-	-
Interest expenses on perpetual sub debt	-	-	-	-	-	(76)	(76)	-	(76)
Other changes	-	-	-	-	-	-	-	71	71
CLOSING AT 31 DECEMBER 2017	**1,490**	**7,374**	**2,623**	**(19)**	**2,604**	**4,366**	**15,835**	**98**	**15,933**
Impacts of new IFRS 9 accounting standard	-	-	340	(32)	308	3	311	0	311
OPENING AT 1 JANUARY 2018	**1,490**	**7,374**	**2,963**	**(51)**	**2,912**	**4,369**	**16,146**	**98**	**16,244**
Gains and losses recognized directly in equity	-	-	(725)	(10)	(735)	-	(735)	(1)	(735)
Consolidated net income	-	-	-	-	-	1,331	1,331	11	1,341
Net income and Gains and losses recognized directly in equity	**-**	**-**	**(725)**	**(11)**	**(736)**	**1,331**	**595**	**10**	**605**
Dividend payout	-	-	-	-	-	(1,781)	(1,781)	(3)	(1,785)
Capital operations	-	-	-	-	-	-	-	-	-
Change in scope	-	-	1	-	1	(8)	(7)	(3)	(11)
Perpetual sub Debt	-	-	-	-	-	-	-	-	-
Interest expenses on perpetual sub debt	-	-	-	-	-	(76)	(76)	-	(76)
Other changes	-	1	-	-	1	18	20	2	22
CLOSING AT 31 DECEMBER 2018	**1,490**	**7,375**	**2,239**	**(60)**	**2,178**	**3,853**	**14,896**	**103**	**14,999**

CASH FLOW STATEMENT

The cash flow statement is presented according to the model of the indirect method.

Operating activities represent those activities generating income for Crédit Agricole Assurances.

Tax payments are presented in their entirety under operating activities.

Investment activities represent cash flows for the acquisition and sale of consolidated and non-consolidated participations, and tangible and intangible assets. The strategic participations entered in the category "fair value per result" or "fair value by non-recyclable equity" are included in this topic.

Investment activities represent transactions relating to investments and linked to property, plant and equipment and intangible assets.

Financing activities result from changes relating to structural financial transactions affecting shareholders'equity and long-term debt.

Net cash includes cash at hand, credit and debit balances with banks and accounts (assets and liabilities) and call loans with lending establishments.

(in € millions)	31/12/2018	31/12/2017
Operating income before tax	**2,296**	**2,076**
Gains and losses on investments	(30)	(1,669)
Net depreciation and amortisation	94	137
Change in deferred acquisition fees	(54)	(64)
Change in impairment	(4)	55
Net allocations to technical liabilities on insurance contracts and financial contracts	8,336	12,522
Net other provisions	(27)	9
Change in fair value of investments and other financial instruments recognised at fair value through profit or loss (excluding cash and cash equivalent)	3,583	(2,068)
Other non-cash items included in operating income	161	135
Correction of items included in operating income that do not correspond to cash flows and reclassification of financing and investment flows	**12,059**	**9,057**
Change in operating receivables and debts	514	169
Change in securities given or received under repurchase agreements	1,402	2,096
Net tax payments	(306)	(493)
Dividends received from companies at equity method [1]	197	56
Cash flows from discontinued activities	-	-
Net cash from operating activities	**16,161**	**12,961**

(in € millions)	31/12/2018	31/12/2017
Acquisitions of subsidiaries and joint ventures net of cash acquired	(132)	(8)
Disposals of subsidiaries and joint ventures net of cash transferred	-	187
Equity investments in companies accounted for by the equity method	(64)	(795)
Disposals of investments in companies accounted for by the equity method	4	545
Cash flow related to changes in scope	**(192)**	**(71)**
Sale of financial investments (including Unit-linked) and derivative instruments	113,264	133,252
Dispositions of real estate investment	517	-
Sale of investments and derivative instruments of activities other than insurance	-	-
Cash flow from dispositions and repayments of investments	**113,781**	**133,252**
Acquisitions of financial assets (including Unit-linked) and derivative instruments	(127,132)	(144,720)
Acquisitions of investment property	(499)	-
Acquisitions and/or issuances of investments and derivatives from other activities	-	-
Cash Flow from Acquisitions and Investment Removals	**(127,631)**	**(144,720)**
Disposals of intangible assets and property plant and equipment	4	1
Acquisitions of intangible assets and property plant and equipment	(122)	(119)
Cash flows relating to acquisitions and disposals of intangible assets and property plant and equipment	**(118)**	**(118)**
Cash flows from discontinued activities	-	-
Net cash flow from investment activities	**(14,160)**	**(11,657)**
Issues of capital instruments	-	-
Dividend payments [1]	(1,861)	(342)
Cash flows relating to transactions with shareholders and members	**(1,861)**	**(342)**
Cash generated by issuance of financial debts	1,120	174
Cash allocated to repayment of financial debts	(1,481)	(467)
Expenses relating to financial debts	(408)	(280)
Cash flow from financing activities	**(769)**	**(573)**
Cash flows from discontinued activities	-	-
Net cash flow from financing activities	**(2,630)**	**(915)**
Flow of accounting method change	(474)	-
Other flows with cash effect	**(474)**	**-**
Opening cash and cash equivalents	1,613	1,228
Net cash flow from operating activities	**16,161**	**12,961**
Net cash flow from investment activities	**(14,160)**	**(11,657)**
Net cash flow from financing activities	**(2,630)**	**(915)**
Other non-cash changes	(474)	-
Impact of foreign exchange differences on cash and cash equivalents	4	(4)
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER 2018	**514**	**1,613**

(1) Dividends received from companies accounted at equity method have been reclassified from financing activities to operating activities.

APPENDIX NOTES ON THE IMPACT OF IFRS 9 STANDARD APPLICATION AT 1 JANUARY 2018

Balance sheet transition from 31 December 2017 to 1 January 2018

Financial assets		31/12/2017	01/01/2018				
		IAS 39	Reclassifications in accordance with IFRS 9				
			Financial assets at fair value through profit or loss				
				Other financial instruments at fair value through profit or loss			
(in € millions)		Carrying amount in accordance with IAS 39	Held-for-trading financial assets	Equity instruments	Debt instruments that do not meet the conditions of the "SPPI" test	Assets backing unit-linked contracts	Financial assets designated at fair value through profit or loss
	Financial assets at fair value through profit or loss	106,795		8,570	33,895	59,635	-
	Held-for-trading financial assets	667			-		
	Financial assets designated at fair value through profit or loss	46,493		8,570	33,895		
	Assets representative of unit-linked contracts	59,635				59,635	
	Hedging derivative instruments	1,022					
	Available-for-sale financial assets	233,754		22,300	18,838		
	Loans and receivables	2,707			2,148		
	Held-to-maturity financial assets	10,805					
	Assets issued from discontinued or ceded activities	265					
	Investissments in companies at equity	2,864					
IAS 39	**Carrying amount determined in accordance with IAS 39**	**358,212**					
	Restatement of carrying amount in accordance with IFRS 9		-	-	64		-
01/01/2018	**Carrying amount in accordance with IFRS 9**		-	30,870 (1)	54,945 (1)	59,635 (2)	-

(1) Corresponds to the "financial investments" line of the balance sheet as at 1 January 2018.

(2) Corresponds to the "Unit-linked financial investments" line of the balance sheet as at 1 January 2018.

(3) Corresponds to the "Derivative instruments and separated embedded derivatives" line of the balance sheet as at 1 January 2018.

01/01/2018						
Reclassifications in accordance with IFRS 9						
	Financial assets at fair value through other comprehensive income		Financial assets at amortised cost			
Hedging derivative instruments	Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	Loans and receivables	Debt securities	Assets issued from discontinued or ceded activities	Investissments in companies at equity
667	4,028					
667						
	4,028					
1,022						
	192,573	43				
			559			
	10,805					
					265	
						2,864
	2,458	-	(1)	-		
1,689 [3]	209,864 [1]	43 [1]	558 [1]		265	2,864

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The other assets within the IFRS 9 standard scope (such as cash or cash deposits) are not subject to a change of accounting category at the date of initial recognition. Moreover, the IFRS 9 does not result in the reclassification of the Group's financial liabilities. Reclassifications of financial assets designated at fair value through profit or loss are made up as follows:

	IAS 39	Reclassification in accordance with IFRS 9	
		Of which financial assets reclassified out of financial assets designated at fair value through profit or loss in accordance with IFRS 9	
(in € millions)	Carrying amount in accordance with IAS 39	Reclassifications as required by IFRS 9 (1)	Reclassification elected by the entity
Financial assets designated at fair value through profit or loss	46,493	46,493	
Debt instruments	30,764	30,764	
Equity instruments	15,729	15,729	

(1) Headings of IAS 39 value classified according to IFRS 9.

Transition between the depreciations or provisions made according to IAS 39 and the corrections of values for loss made according to IFRS 9

In the frame of IFRS 9 application at 1 January 2018, the provisioning methods will significally evolve. The following table shows the evolution of the liability depreciations as of 31 December 2017 according to IAS 39 standard towards loss allowances booked as of 1 January 2018 according to IFRS 9 standard:

Impairment on financial assets		31/12/2017	01/01/2018							
			IFRS 9 – Impairment reclassifications							
			Financial assets at fair value through profit or loss							
				Other financial instruments at fair value through profit or loss			Financial assets at fair value through other comprehensive income		Financial assets at amortised cost	
(in € millions)		IAS 39 – Amount of impairment	Held-for-trading financial assets	Equity instruments	Debt instruments that do not meet the conditions of the "SPPI" test	Financial assets designated at fair value through profit or loss	Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	Loans and receivables	Debt securities
	Available-for-sale financial assets	(642)	-	(611)	(29)	-	(1)	(1)	-	-
	Loans and receivables	-	-		-	-	-		-	-
	Held-to-maturity financial assets	-	-		-	-	-			-
Impairment in accordance with IAS 39	**Amount of impairment determined in accordance with IAS 39**	**(642)**								
	Restatement of impairment in accordance with IFRS 9		-	611	29	-	(120)	1	(1)	-
	Of which restatement of assets reclassified out of the fair value through profit or loss category in accordance with IAS 39		-	-	29	-	(1)	-	-	-
	Of which restatement of assets reclassified out of the available-for-sale category in accordance with IAS 39		-	611	-	-	(117)	1	-	-
	Of which restatement of assets reclassified out of the loans and receivables category in accordance with IAS 39		-	-	-	-	-	-	(1)	-
	Of which restatement of assets reclassified out of the held-to-maturity category in accordance with IAS 39		-	-	-	-	(2)	-	-	-
01/01/2018	**Amount of impairment in accordance with IFRS 9**		**-**	**-**	**-**	**-**	**(121)**	**-**	**(1)**	**-**

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The breakdown of depreciation by depreciation stages (or bucket) under IFRS 9 as at 1 January 2018 is as follows:

Financial assets *(in € millions)*	01/01/2018		
	Bucket 1	**Bucket 2**	**Bucket 3**
Financial assets at fair value through other comprehensive income	(82)	(38)	(1)
Loans and receivables	-	-	-
Debt securities	(82)	(38)	(1)
Financial assets at amortised cost	(1)	-	-
Loans and receivables	(1)	-	-
Debt securities	-	-	-
TOTAL	**(83)**	**(38)**	**(1)**

Financial assets subject to a reclassification

The following table presents the position at 31 December 2018 of the financial assets reclassified as a result of the application of IFRS 9:

	31/12/2018				
	Recognition in accordance with IFRS 9		**Recognition in accordance with IFRS 9 if the reclassification had not occurred**		
(in € millions)	**Carrying amount**	**Interest revenues (expenses) recognised**	**Fair value**	**Gain (loss) recognised in net profit or loss**	**Gain (loss) recognised in other comprehensive income**
Financial assets at fair value through profit or loss reclassified into financial assets at fair value through other comprehensive income	**3,938**	**94**	**3,938**	**29**	
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	3,938	94	3,938	29	
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	-		-	-	
Financial assets at fair value through profit or loss reclassified into financial assets at amortised cost	**-**	**-**	**-**	**-**	
Loans and receivables	-	-	-	-	
Debt securities	-	-	-	-	
Financial assets at fair value through other comprehensive income reclassified into financial assets at amortised cost	**-**	**-**	**-**	**-**	**-**
Loans and receivables	-	-	-	-	-
Debt securities	-	-	-	-	-
TOTAL	**3,938**	**94**	**3,938**	**29**	**-**

Impacts on equity in application of IFRS 9 at 1 January 2018

(in € millions)	Impact of 1st application of IFRS 9 at 1 January 2018		
	Consolidated Shareholders'equity	Equity – Group share	Equity – Non-controlling interests
EQUITY AT 31/12/2017 – IAS 39	**15,933**	**15,835**	**98**
Impacts on reserves	**3**	**3**	**-**
Reclassification from Available-for-sale assets to fair value through profit or loss (including cancellation of impairment where applicable; in the case of fair value hedges, reclassification unhedged portion only)	580		
Reclassification from Available-for-sale assets to fair value through other comprehensive income that will not be reclassified to profit or loss: impact of cancellation of lasting impairment (where applicable)	1		
Reclassification from Available-for-sale financial assets to financial assets at fair value through other comprehensive income that will not be reclassified to profit or loss: reclassification of fair value of the hedged portion (where applicable)	-		
Reclassification from amortised cost to fair value through profit or loss (including acquisition costs remaining to be amortised; in the case of fair value hedges, reclassification unhedged portion only)	7		
Assets (to fair value through profit or loss)	7		
Liabilities (to fair value through profit or loss)	-		
Reclassification from fair value through profit or loss to fair value through other comprehensive income that may be reclassified to profit or loss	(75)		
Reclassification from fair value through profit or loss to amortised cost (including fees and commissions remaining to be amortised)	-		
Assets (from fair value through profit or loss – by type or designated)	-		
Liabilities (from fair value through profit or loss – designated)	-		
Impacts on termination of hedges excluding fair value hedges	-		
Recognition of expected credit losses (on financial assets, assets within the field of application of IAS 17 and IFRS 15, off-balance sheet commitments)	(16)		
Reclassification of equity instruments designated at fair value through profit or loss to fair value through other comprehensive income that will not be reclassified to profit or loss	-		
Impact of changes on financial assets/liabilities measured at amortised cost	-		
Reclassification of designated financial assets applying the overlay approach	(494)		
Reserves excluding equity-accounted entities	**3**		
Reserves on equity-accounted entities	**-**		
Reserves on discontinued operations	**-**		
Impact on other comprehensive income on items that may be reclassified to profit orand loss	**340**	**340**	**-**
Reclassification from Available-for-sale assets to fair value through profit or loss (in the case of fair value hedges, reclassification unhedged portion only)	(581)		
Reclassification from Available-for-sale assets to amortised cost (in the case of fair value hedges, reclassification unhedged portion only)	-		
Reclassification from amortised cost to fair value through other comprehensive income that may be reclassified to profit or loss (in the case of fair value hedges, reclassification unhedged portion only)	305		
Reclassification of equity instruments from Available-for-sale assets to fair value through other comprehensive income that will not be reclassified to profit or loss	(1)		
Reclassification from fair value through profit or loss to fair value through other comprehensive income that may be reclassified to profit or loss	75		
Impacts on termination of hedges excluding fair value hedges	15		
Recognition of expected credit losses on financial assets at fair value through other comprehensive income that may be reclassified to profit or loss	494		
Reclassification of designated financial assets applying the overlay approach	-		
Other comprehensive income on items that may be reclassified to profit or loss (net of income tax) excluding equity-accounted entities,	**308**		
Other comprehensive income on items that may be reclassified to profit or loss (net of income tax) on equity-accounted entities,	**31**		
Other comprehensive income on items that may be reclassified to profit or loss from discontinued operations	**-**		

(in € millions)	Impact of 1st application of IFRS 9 at 1 January 2018 (1)		
	Consolidated Shareholders'equity	Equity – Group share	Equity – Non-controlling interests
Impact on other comprehensive income on items that will not be reclassified to profit orand loss	**(32)**	**(32)**	**-**
Reclassification of equity instruments from Available-for-sale assets to fair value through other comprehensive income that will not be reclassified to profit or loss	-		
Reclassification of equity instruments designated at fair value through profit or loss to fair value through other comprehensive income that will not be reclassified to profit or loss	-		
Other comprehensive income on items that will not be reclassified to profit or loss (net of income tax) excluding equity-accounted entities,	-		
Other comprehensive income on items that will not be reclassified to profit or loss (net of income tax) on equity-accounted entities,	(32)		
Other comprehensive income on items that will not be reclassified to profit or loss from discontinued operations	-		
Total – Impact on equity due to initial application of IFRS 9	**311**	**311**	**-**
EQUITY AT 01/01/2018 – IFRS 9 STANDARD	**16,244**	**16,146**	**98**

(1) Amounts net of income tax

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Contents

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NOTE 1 Accounting principles and policies applied to the Crédit Agricole Assurances Group, judgments and estimates used

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 2018.

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 financial statements of Crédit Agricole Assurances for the financial year ended 31 December 2017.

They have been supplemented by the IFRS standards as adopted by the European Union at 31 December 2018 and that must be mandatorily applied for the first time in 2018. These relate to:

Standards, amendments and interpretations	Date of the European Union regulation	Date of mandatory initial application: accounting periods beginning on
IFRS 9 Financial Instruments Replacing IAS 39 – Financial Instruments: classification and measurement, impairment and hedge accounting	22 November 2016 (EU 2016/2067)	1 January 2018
Amendments to IFRS 4 Insurance Contracts Optional approaches for insurance undertakings to manage the discrepancy between the application dates of IFRS 9 and IFRS 17	3 November 2017 (EU 2017/1988)	1 January 2018
IFRS 15 Revenue from contracts with customers Replacing IAS 11 on the recognition of construction contracts and IAS 18 on the recognition of revenue	22 September 2016 (EU 2016/1905)	1 January 2018
Amendments to IFRS 15 Revenue from Contracts with Customers Clarifications to IFRS 15	31 October 2017 (EU 2017/1987)	1 January 2018
Improvements to IFRS cycle 2014-2016: ▶ IFRS 12 Disclosure of Interests in Other Entities ▶ IAS 28 Investments in Associates and Joint Ventures ▶ IFRS 1 First-time Adoption of International Financial Reporting Standards	 7 February 2018 (EU 2018/182)	 1 January 2017 1 January 2018 1 January 2018
Amendments to IFRS 2 Classification and Measurement of Share-based Payment Transactions Clarifications to IFRS 2	26 February 2018 (EU 2018/289)	1 January 2018
Amendments to IAS 40 Investment Property Clarification of the principle of transfer, entry to or exit from the Investment Property category	14 March 2018 (EU 2018/400)	1 January 2018
IFRIC 22 Foreign Currency Transactions and Advance Consideration Clarifications to IAS 21 The Effects of Changes in Foreign Exchange Rates	3 April 2018 (EU 2018/519)	1 January 2018

Accordingly, the Crédit Agricole Assurances Group publishes, for the first time from 1 January 2018, its IFRS financial statements under IFRS 9 Financial Instruments and IFRS 15 Revenue from Contracts with Customers (see chapter Accounting principles and policies thereafter).

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measuremen. It sets new principles governing the classification and measurement of financial instruments, impairment of credit risk and hedge accounting, excluding macro-hedging transactions.

IFRS 9 is applied retrospectively with a mandatory effective date at 1 January 2018 by adjusting the opening balance sheet on the date of first-time application, with no mandatory restatement of the 2017 comparative financial statements. Consequently, the assets and liabilities relative to 2017 financial instruments are recognised and measured under IAS 39 as described in the accounting policies and principles presented in the 2017 financial statements.

IFRS 15 Revenue from Contracts with Customers will replace IAS 11 Construction Contracts and IAS 18 Revenue, along with related interpretations (IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers and SIC 31 Revenue – Barter Transactions involving Advertising Services).

It consolidates in a single text the principles of accounting for income from sales of long-term contracts, sales of goods and services that do not fall within the scope of the standards for financial instruments (IFRS 9), insurance contracts (IFRS 4) or leases (IAS 17).

For the first-time application of IFRS 15, the Crédit Agricole Assurances Group has chosen the modified retrospective method without comparison with the 2017 financial year. The application of IFRS 15 did not have any material impact on profit or loss or equity.

STANDARDS PUBLISHED BY THE IASB AND ADOPTED BY THE EUROPEAN UNION AS AT 31 DECEMBER 2018

It should be noted that where early adoption of standards and interpretations as adopted by the European Union is optional on an accounting period, the option is not applied by the Group except where specifically stated.

As regards Crédit Agricole Assurances this especially concerns:

Standards, amendments and interpretations	Date of the European Union regulation	Date of mandatory initial application: accounting periods beginning on
Amendments to IFRS 9 Financial Instruments Prepayment features with negative compensation	22 March 2018 (EU 2018/498)	1 January 2019 [(1)]
IFRS 16 Leases Replacing IAS 17 on the recognition of leases	31 October 2017 (EU 2017/1986)	1 January 2019
IFRIC 23 Uncertainty over Income Tax Treatments Clarification of IAS 12 on measuring and recognising a tax asset or liability when there is uncertainty as to the application of tax legislation	23 October 2018 (EU 2018/1595)	1 January 2019

(1) The Group decided to apply the amendment to IFRS 9 early from 1 January 2018.

IFRS 16 Leases will 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). It will apply to reporting periods beginning from 1 January 2019.

The main change of IFRS 16 relates to the accounting for lessees. IFRS 16 will call for a model in respect of lessees that recognises all leases on the balance sheet, with a lease liability on the liability side representing commitments over the life of the lease and on the asset side, an amortisable right-to-use.

Since 2017 the Crédit Agricole Assurances Group organised itself to implement IFRS 16 within the required deadline, including the accounting, financial, risk and purchasing functions. A first impact study on the implementation of the standard within the Group was carried out in the second half of 2017 based upon financial statements as at 31 December 2016. These works continued throughout 2018. The Group finalised the choices of the key options relating to interpretation of the standard, the IT systems solutions necessary to handle the data of all the lease contracts of the Group and, in the second semester, realised a quantification of the impact based on the financial statements as at 31 December 2017.

The Group will apply the modified retrospective approach in accordance with the paragraph C5 (b) of IFRS 16, recognising the cumulative effect of initial application on the date of transition (1 January 2019). As a result, the Group does not expect IFRS 16 to have a significant impact on its equity. The Group elected to use the two recognition exemptions allowed under the standard for the following leases:

- short-term leases;
- low value asset leases.

STANDARDS PUBLISHED BY THE IASB AND NOT ADOPTED BY THE EUROPEAN UNION AS AT 31 DECEMBER 2018

The standards and interpretations published by the IASB at 31 December 2018 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 2018.

This concerns particularly IFRS 1.

IFRS 17 Insurance Contracts, published by the IASB on 18 May 2017 will replace IFRS 4. It will apply mandatorily to reporting periods beginning from 1 January 2022, subject to its adoption by the European Union.

IFRS 17 establishes recognition, measurement and presentation principles for insurance contracts that fall within its scope (*i.e.* insurance contracts issued, reinsurance treaties issued and held, and investment contracts with a discretionary participation feature issued, if the entity also issues insurance contracts).

In order to apply the provisions of IFRS 17 in terms of the recognition and measurement of insurance contract liabilities, the entity must aggregate its insurance contracts based on their characteristics and estimated profitability at inception. It must also, on initial recognition, identify insurance contract portfolios (contracts that are subject to similar risks and managed together) then disaggregate each of these portfolios into three groups (onerous contracts, contracts with no significant risk of becoming onerous, and other contracts). The entity shall not include contracts issued more than one year apart in the same group.

IFRS 17 introduces a general prospective model for the measurement of insurance liabilities, whereby groups of contracts are measured, on initial recognition, as the sum of fulfilment cash flows (*i.e.* estimates of future cash flows, an adjustment to reflect the time value of money and the financial risks associated with those future cash flows and a risk adjustment for non-financial risk) and the contractual service margin (CSM). The latter represents unearned profit that the entity will recognise in profit or loss as it provides services to insured parties in the future. It cannot be negative: if a contract is onerous at initial recognition, the loss must be immediately recognised in profit or loss.

At the end of each subsequent reporting period, the carrying amount of a group of insurance contracts must be reassessed as the sum of the liability for remaining coverage (comprising the fulfilment cash flows related to future services and the contractual service margin at that date) and the liability for incurred claims (comprising the fulfilment cash flows related to past services). The contractual service margin is adjusted to account for cash flow changes related to future services arising from non-financial assumptions. As CSM cannot be negative, any change in fulfilment cash flows that is not offset by changes in CSM must be recognised in profit or loss.

This general model is subject to modifications for certain insurance contracts with specific features. Hence, for insurance contracts with direct participation features, the standard stipulates that a measurement model called "Variable Fee Approach" (VFA) must be applied, allowing all changes in cash flows related to future services, including those linked to financial assumptions and options and guarantees, to be reflected in the adjustment of the contractual service margin.

Lastly, the standard allows for the application of a simplified measurement model known as "Premium Allocation Approach" (PAA), which relies on the premium allocation method for the measurement of the liability for remaining coverage of the Group, provided that this measurement would not differ materially from the one that would be produced applying the general model, and that the coverage period of each contract in the Group is one year or less.

The Crédit Agricole Assurances Group is organised to implement the IFRS 17 standard in the required delays by integrating all the impacted functions (accounting, actuarial, controlling, IT, procurement, etc...). In 2017, a framing phase helped in identifying and measuring all the stakes linked to the implementation of the IFRS 17 standard and perform a first impact study for the Group. In 2018 the implementation phase of IFRS 17 has started and the works are structured around projects allowing to fulfill the identified stakes (actuarial and accounting methodologies, accounting, consolidation, processes, actuarial models, data management, IT, etc.). These works will continue until the standard enters into force.

In addition, several amendments were published by the IASB, which do not significantly impact the Group, and which apply subject to their adoption by the European Union. These are amendments to IAS 12 Income Taxes, IAS 23 Borrowing Costs, IFRS 3/IFRS 11 Business combinations/Joint Arrangement, IAS 19 Employee Benefits and IAS 28 Investments in Associates applicable at 1 January 2019 and an amendment to IAS 1/IAS 8 Presentation of financial statements applicable at 1 January 2020.

Presentation format of financial statements

In the absence of a model decreed by IFRS standards, Crédit Agricole Assurances uses the format of financial statements (balance sheet, income statement, statement of net income and gains and losses recognised directly in other comprehensive income, statement of changes in equity, cash flow statement) recommended by the ANC recommendation n°2013-05 of 7 November 2013.

This presentation, adopted in 2013, has the following features:

- revenue on investment contracts without discretionary participation features is classified under the heading "Revenue or income from other activities";
- assets and liabilities are classified on the balance sheet in increasing order of liquidity, as this presentation is more relevant for insurance companies than the classification into current and non-current items, as also allowed under IAS 1;
- expenses in the income statement are classified by function rather than by nature. This presentation, allowed under IAS 1, is the one used by a large majority of insurance companies. Information on expenses by nature is also provided in the notes.

Accounting principles and policies

USE OF JUDGMENTS AND ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

Given their nature, the valuations needed to prepare financial statements require the formulation of assumptions and carry risk and uncertainty as to their future materialisation.

Future materialisation can be affected by a number of factors, notably:

- the activities of national and international markets;
- changes in interest rates and foreign exchange rates;
- economic and political conditions in certain business sectors or countries;
- changes in regulations or legislation;
- the behavior of the policyholders;
- demographic changes.

This list is not exhaustive.

The accounting estimates requiring the formulation of hypotheses are used mainly the following valuations:

- goodwill and values of portfolios acquired, at the time of initial recognition and as part of subsequent impairment tests;
- financial instruments at fair value, including non-consolidated equity participations;
- liabilities on insurance contracts and investment contracts;
- post-employment benefit schemes and other future employment-related benefits;
- stock option plans;
- impairment ondebt instruments measured at amortised cost or at fair value through other comprehensive income (items that can be reclassified);
- provisions;
- deferred tax assets;
- valuation of equity accounted entities;
- deferred benefits participation assets as part of recoverability tests.

Details of the use of judgments and estimates are set out in the relevant paragraphs below.

Annual accounts for Crédit Agricole Assurances are closed on 31 December. They include estimates where information is not available at the closing date. Financial investments are valued at closing prices and transactions carried out in the final month of the period having an impact on profit or loss are taken into account.

As an exception, a single entity within Crédit Agricole Assurances is closing its individual accounts on a date other than 31 December:

- CA Life Japan, whose closing date is 31 March;
- for this entity, 12 month-accounts are closed at 30 September to be consolidated in the Group accounts at 31 December;
- the impact from the difference in closing dates is not material.

SEGMENT REPORTING

The segmental information presented in the financial statements and notes of Crédit Agricole Assurances reflects the operational business segments. It is based on five business lines: France Life, France Non-Life, Credit Insurance, International and Other, which mainly covers holding and reinsurance activities.

INTANGIBLE ASSETS AND DEFERRED EXPENSES

The main intangible assets are goodwill and the value of portfolios of contracts acquired, recognised as part of a business combination or separately through the transfer of a portfolio, together with software acquired or developed in-house.

Goodwill

Goodwill (see section "Consolidation principles and policies" below) is assumed to have a perpetual value and is therefore not amortised; however, in accordance with IAS 36 it is subject to impairment testing as soon as there are objective indicators of a loss of value and at least once per year.

For the purposes of these impairment tests, each item of goodwill is allocated to the various cash generating units (CGUs) of the Group that will benefit from the advantages expected to accrue from the business combination. CGUs were defined, within the Group's main business segments, as the smallest identifiable grouping of assets and liabilities operating according to its own business model. In practice, Crédit Agricole Assurances uses an entity-based approach.

Under the impairment tests, the carrying amount of each CGU, including that of the goodwill allocated to it, is compared to its recoverable amount.

The recoverable amount of the CGU is defined as the higher of its fair value less costs of disposal and its value in use. The value in use is calculated as the current value of estimated future cash flows from the CGU, as based on the medium-term plans drawn up for steering purposes of the Group.

Where the recoverable amount is lower than the carrying amount, the goodwill allocated to the CGU is impaired proportionately. This impairment is irreversible.

Value of portfolios of contracts acquired

The fair value of a portfolio of insurance contracts acquired separately or as part of a business combination is recognised as an asset on the balance sheet. This corresponds to the present value of estimated future profits generated by the existing contracts at the time of acquisition.

These portfolio values are amortised over the life of contracts acquired as profits materialise. This amortisation is complemented by an annual recoverability test which takes account of experience and changes in valuation hypotheses.

Software

Software acquired is recognised at its acquisition cost, less amortisation and depreciation accumulated since the acquisition date.

Software created internally is recognised at its production cost, less amortisation and depreciation accumulated since the date of completion, where it meets the criteria of IAS 38 and in particular where it will generate future economic benefits for the company and where its cost can be assessed in a reliable manner. Only those expenses incurred during the development phase are capitalised; expenses incurred during the research phase are recognised directly in profit or loss for the year.

Software is amortised based on its estimated useful life.

Start-up costs are not capitalised and are recognised directly in expenses for the year in which they arise.

Deferred acquisition costs for insurance contracts and investment contracts with discretionary participation features and costs incurred at the inception of investment contracts without discretionary participation features

Variable costs incurred at the inception of life insurance contracts and investment contracts with discretionary participation features as part of the underwriting of new business are recognised as assets on the balance sheet. The acquisition costs thus recognised are amortised over the life of the contracts in proportion to expected future profits arising.

The recoverability of such assets is tested together with the liability adequacy test (see section "Insurance contracts" below): the share of acquisition costs which, at the closing date, proves not to be covered by estimated future gross profits is not considered as recoverable and is therefore recognised as an expense, in accordance with the requirements of CRC regulation 2000-05 which apply to contracts within the scope of IFRS 4.

Acquisition costs of non-life insurance contracts are deferred in proportion to corresponding unearned premiums for the financial year.

As regards investment contracts without discretionary participation features, which are governed by IFRS 9, marginal acquisition costs recoverable are posted on balance sheet assets and amortised in accordance with IFRS 15.

Symmetrically with the deferral of expenses incurred on the subscription of contracts, unearned loadings and commissions are deferred *via* the posting of a provision in liabilities.

The deferral patterns are identical to those of deferred acquisition costs of insurance contracts.

For Predica, in the savings business segment, the Group does not recognise deferred acquisition costs, as commissions paid are offset by loadings for acquisition costs.

PROPERTY, PLANT AND EQUIPMENT

Operating and investment property

Operating property covers the buildings housing the company's services. Investment property covers rental property and shares in unlisted real estate companies.

Crédit Agricole Assurances recognises operating and investment property at cost, applying the component method of accounting in accordance with the provisions of IAS 16 and the option set out in IAS 40.

As an exception, as allowed under IAS 40, real estate assets backing contracts where the financial risk is borne by the policyholder are valued and recognised at fair value, with changes in fair value being recognised in profit or loss.

Properties recognised at cost are analysed into four components, each with its own useful life and renewal schedule:

- major works (superstructure and infrastructure);
- secondary works (roofing, coverings, frames, facades, external joinery),
- technical installations (heating, ventilation, air conditioning, lifts, electrical systems);
- fixtures and fittings (surfacing, wall and floor finishing stages, etc.).

Technical studies carried out by Crédit Agricole Assurances lead it to use a residual value corresponding to approximately 90% of the major works component. By definition, this residual value is not depreciated; however, if an item of major works were to suffer a significant and lasting loss of value (technological change, change of use, fall in price), an impairment would be recognised.

Depreciation of property, plant and equipment

Property, plant and equipment are depreciated based on their estimated useful life. The depreciation periods used by Crédit Agricole Assurances are specific to each component and are adapted to its nature and, for property, its location:

Component	Depreciation period
Land	Non depreciable
Primary structure	30 to 80 years
Secondary structure	8 to 40 years
Technical installations	5 to 25 years
Fixtures and fittings	5 to 15 years
IT equipment	4 to 7 years
Specialist equipment	4 to 5 years

If the net carrying amount of the asset is greater than the recoverable amount, an additional impairment is recognised further to its depreciation. The recoverable value, calculated where the property presents indicators of a loss of value, is the lower of fair value and value in use.

For buildings, fair value corresponds to an expert valuation, established at least every five years and updated annually by a suitably qualified independent valuer. This value is disclosed in the notes to the financial statements (see note 6.3).

Crédit Agricole Assurances analyses at each closing all indicators of a loss of value for investment property. This multicriteria analysis is based both on the long-term character of the loss of value and the exercise of judgment. One of the criteria taken into account is a net carrying amount more than 20% higher than the expert valuation, however, if Crédit Agricole Assurances considers selling the investment in the short term or does not have the ability to hold it in the long term, any impairment, even less than 20%, is recognised.

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 Assurances 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 measuring financial assets and liabilities

Initial measurement

At 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 measurement

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 at 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 the loss allowance (see section "Impairment for credit risk" below).

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 measurement of financial assets depend 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 measurement of a debt instrument depend on the combination of two criteria: the business model and the analysis of the contractual terms, unless the fair value option is used.

The three business models:

The business model represents the strategy followed by the management of Crédit Agricole Assurances 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.

The three business models are as follows:

- the collection only 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 mixed 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 the receipt of cash flows are essential; and
- the selling only model, where the main aim is to sell the assets; 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 test of the contractual terms ("Solely Payments of Principal & Interest" or "SPPI" test):

The "SPPI" test combines a set of criteria, examined cumulatively, to establish whether contractual cash flows meet the characteristics of a 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 interests 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 a 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 a qualitative analysis of this nature does not allow a conclusion to be made, a 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 a simple financing.

Moreover, a specific analysis is carried out 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 the 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 the qualification of the business model combined with the "SPPI" test may be presented in the following diagram:

		Business model		
Debt instruments		**Collection only**	**Mixed**	**Selling only**
	Satisfied	Amortised cost	Fair value through other comprehensive income (items that can be reclassified)	Fair value through profit or loss
SPPI test	**Not satisfied**	Fair value through profit or loss	Fair value through profit or loss	Fair value through profit or loss

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Debt instruments at amortised cost

Debt instruments are measured at amortised cost if they are eligible for the pure collection model and if they pass the "SPPI" test.

They are recorded at the settlement date and their initial measurement also includes accrued interest and transaction costs.

This category of financial assets is impaired under the conditions described in the specific section "Impairment for credit risk".

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 mixed model and if they pass the "SPPI" test.

They are recorded at the trade date and their initial measurement also includes accrued interest and transaction costs.

Amortisation of any premium or discount and transaction costs on fixed-income securities is recognised in profit or loss 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 outstanding accounts (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 profit or loss.

This category of financial instruments is impaired under the conditions described in the specific paragraph "Impairment for credit risk" (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 entity 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 Assurances holds the assets, the collection of these contractual cash flows is not essential but ancillary.
- debt instruments that do not fulfil the criteria of the "SPPI" test. This is notably the case of UCITS;
- financial instruments classified in portfolios which the entity designates at fair value in order to reduce an accounting treatment difference in profit or loss. 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, offset against the outstanding accounts.

This category of financial assets is not subject to impairment.

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

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 in 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, offset against the outstanding accounts.

This category of financial assets is not subject to impairment.

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.

At subsequent measurement, 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 acquisition and disposal 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 sold under repurchase agreements, the amount received, representing the liability to the transferee, is 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 purchased under resale 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 its 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 a 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 deemed as such because they belong de facto to one or more beneficiaries, and when substantially all the risks and rewards related to the financial asset are transferred.

In this case, all the rights or obligations created or retained at the time of transfer are recognised separately as assets and liabilities.

When the contractual rights to the cash flows are transferred but only some of the risks and rewards, as well as control, are retained, the financial assets continue to be recognised to the extent of the Group's continuing involvement in this asset.

Overlay approach applicable to insurance activities

Crédit Agricole Assurances uses the overlay approach for financial assets held in respect of an activity connected with 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 at remedying 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). Indeed it allows for an elimination from the net income of part of the additional accounting mismatches and the temporary volatility which could be caused by an application of IFRS 9 before the entry into force of IFRS 17.

The designation of eligible financial assets is performed on an instrument by instrument basis, and this may be done:

- at 1 January 2018, at the initial application of IFRS 9; or
- subsequently, but only at the initial recognition of the assets in question.

This designation applies until derecognition of the financial assets concerned.

Pursuant to the overlay approach, Crédit Agricole Assurances reclassifies, for designated financial assets, their impacts in profit or loss to other comprehensive income, such that the amount reported in profit or loss for these assets corresponds to that which would have been reported in profit or loss if IAS 39 had been applied.

Consequently, the amount reclassified is equal to the difference, for the designated financial assets, between:

- the amount reported in profit or loss applying IFRS 9; and
- the amount that would have been reported in profit or loss if IAS 39 had been applied.

In the income statement, the effects of this reclassification are recognised in the item "Investment income net of investment expenses", before tax effects, on the line "Amount reclassified as gains and losses recognised directly in equity under the overlay approach". The tax effects related to this reclassification are presented on the line "Income tax".

In the statement of other comprehensive income, the effects of this reclassification are recognised in other comprehensive income (items that can be reclassified) on the line "Reclassification of gains and losses on financial assets related to the overlay approach".

The financial assets that may be designated to the overlay approach must fulfil the following two criteria:

- they are held by insurers within the Group in respect of an activity connected to insurance contracts; and
- they are measured at fair value through profit or loss under IFRS 9 but would not have been measured this way under IAS 39; thus these 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 impacts in profit or loss of the designated financial assets

Pursuant to the overlay approach, Crédit Agricole Assurances applies, for the final recognition of the net impacts in profit or loss of the designated financial assets, the accounting principles and policies that Crédit Agricole Assurances would have applied under IAS 39.

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 effective interest rate method.

Available-for-sale financial assets under IAS 39

Available-for-sale financial assets are initially recognised at their initial fair value, including transaction costs that are directly attributable to the acquisition, and accrued interest.

They are subsequently measured at fair value and changes in fair value are recorded in other comprehensive income.

If the securities are sold, these changes are transferred (recycled) to profit or loss.

Amortisation of any premiums or discounts and transaction costs on fixed-income securities is recognised in profit or loss using the effective interest rate method.

Impairment of designated financial assets under IAS 39

An impairment must be recognised when there is an objective evidence of impairment resulting from one or more events occurring after the initial recognition of the financial asset.

An objective evidence of impairment corresponds to a prolonged or significant decline in the value of the security for equity securities or the appearance of a significant deterioration in credit risk evidenced by a risk of non-recovery for debt securities.

For equity securities, Crédit Agricole Assurances uses quantitative criteria as indicators of potential impairment. These quantitative criteria are notably based on a loss of 30% or more of the value of the equity instrument over a period of six consecutive months. Crédit Agricole Assurances also considers qualitative criteria (financial difficulties of the issuer, short term prospects, etc...).

Notwithstanding the above-mentioned criteria, Crédit Agricole Assurances recognises an impairment when there is a decline in the value of the equity instrument higher than 50% at the reporting date or durably observed for more than three years.

Financial liabilities

Financial liabilities relating to financial contracts without discretionary participation features are described in the section on insurance contracts.

The other financial liabilities of Crédit Agricole Assurances are described below.

Distinction between debt instruments and equity instruments

The distinction between debt instruments and equity instruments is based on an analysis of 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 a discretionary return evidencing a residual interest in a company after deduction of all its financial liabilities (net assets) and which is not qualified as a debt instrument.

Securities for which there is no contractual obligation to repay the nominal or to provide cash are therefore classified as equity instruments.

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 conclude it has been substantially modified 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 profit or loss.

If the financial liability is not derecognised, the original effective interest rate is maintained. A discount/premium is recognised immediately in profit or loss at the date of modification and is then spread, using the original effective interest rate, over the residual lifetime of the instrument.

Impairment for credit risk

Scope of application

In accordance with IFRS 9, Crédit Agricole Assurances recognises a loss allowance for expected credit losses (ECLs) on the following outstanding:

- 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;
- lease receivables coming under IAS 17; and
- trade receivables generated by transactions coming 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 a calculation of counterparty risk which is not covered by the ECL model. This calculation is described in chapter 5 "Risk factors and risk management" of the Crédit Agricole Assurances Registration Document.

Credit risk and impairment stages

Credit risk is defined as the risk of losses related to the default of a counterparty leading to its inability to meet its commitments to the Group.

The process of impairing for credit risk has three stages (Buckets):

- 1st stage (bucket 1): upon initial recognition of the financial instrument (credit, debt security, guarantee, etc.), the entity recognises 12-month expected credit losses;
- 2nd stage (bucket 2): if the credit quality deteriorates significantly for a given transaction or portfolio, the entity recognises lifetime expected credit losses;
- 3rd stage (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 no longer met, the financial instruments are reclassified in bucket 2, then in bucket 1 according to the subsequent improvement in the quality of credit risk.

A loan in default (Bucket 3) is said to be impaired when one or more events that have a detrimental effect on the estimated future cash flows of that financial asset. Evidence that a financial asset is credit-impaired include observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation;
- the disappearance of an active market for that financial asset because of financial difficulties; or
- the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event—instead, the combined effect of several events may have caused financial assets to become credit-impaired.

Definition of expected credit losses ("ECLs")

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 impairment system.

The Group primarily relies on the internal rating system and the current Basel processes to generate the IFRS 9 parameters required to calculate ECLs. 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 calculation formula includes the probability of default, loss given default and exposure at default parameters.

ECLs are calculated according to the type of product concerned, *i.e.* financial instruments and off-balance sheet instruments.

The 12-month expected credit losses 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 end of 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 level, or shared base of impairment.

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 probability of default and loss given default parameters over the transaction amortisation period;
- at the level of each entity in respect of its own portfolios.

Significant increase in credit risk

All Group entities must assess, for each financial instrument, the increase in credit risk from initial recognition at each reporting date. This assessment of the change in credit risk leads the entities to classify their exposures into different risk categories (Buckets).

To assess significant increase, the Group uses a process based on two levels of analysis:

- the first level is based on relative and absolute 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 lifetime ECLs).

Each financial instrument is, without exception, assessed for significant increase. Contagion is not required for the downgrading of financial instruments of the same counterparty from Bucket 1 to Bucket 2. The significant increase 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.

To measure the significant increase in credit risk since initial recognition, it is necessary to look back at the internal rating and 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.

If the increase since origination is no longer observed, impairment may be reduced to 12-month expected credit losses (Bucket 1).

For securities, Crédit Agricole Assurances uses an approach that consists in applying an absolute level of credit risk, in accordance with IFRS 9, below which exposures are classified in Bucket 1 and impaired based on 12-month ECLs.

As such, the following rules shall apply for monitoring the significant increase of securities:

- "Investment Grade" rated securities, at the reporting date, are classified in Bucket 1 and provisions are made based on 12-month ECL;
- "Non-Investment Grade" rated securities, at the reporting date, must be subject to monitoring for significant increase, since origination, and be classified in Bucket 2 (lifetime ECLs) in the event of significant increase in credit risk.

Relative increase must be assessed prior to the occurrence of an actual default (Bucket 3).

Derivative financial instruments

Classification and measurement

Derivative instruments are financial assets or liabilities classified by default as derivative instruments held-for-trading unless they qualify for being 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 Assurances does not apply the "hedge accounting" provisions 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 text on fair value macro-hedging is adopted by the European Union. However, the eligibility of financial instruments to hedge accounting under IAS 39 takes into account the IFRS 9 principles for the classification and measurement of financial instruments.

Under IFRS 9, and given the IAS 39 hedging principles, debt instruments at amortised cost or at fair value through other comprehensive income (items that may be reclassified) are eligible to 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 in profit or loss (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 flows 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 in profit or loss (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 Assurances'presentation currency.

Hedges must also meet the following criteria in order to be eligible for hedge accounting:

- the hedging instrument and the hedged item must be eligible;
- there must be formal documentation from inception, primarily including the individual designation 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 performed at each reporting date.

Further details on the Group's risk management strategy and its application are presented in Chapter 5 "Risk factors and risk management" of the Crédit Agricole Assurances Registration Document.

Measurement

The re measurement of the derivative at fair value is recorded in the financial statements as follows:

- fair value hedge: the change in value of the derivative is recognised in profit or loss 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 appears in profit or loss;
- cash flow hedge: the change in value of the derivative is recognised in the balance sheet against 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 profit or loss. Profits or losses on the derivative accumulated in other comprehensive income are then reclassified to profit or loss when the hedged cash flows occur;
- hedge of a net investment in a foreign operation: the change in value of the derivative is recognised in the balance sheet against a translation adjustment account in other comprehensive income (items that may be reclassified) and the ineffective portion of the hedge is recognised in profit or loss.

Where the conditions for benefiting from hedge accounting are no longer met, the following accounting treatment must be applied prospectively:

- fair value hedge: 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 hedge: the hedging instrument is measured at fair value through profit or loss. The amounts accumulated in other comprehensive income for the effective portion of the hedge remain in other comprehensive income until the hedged item affects profit or loss. For interest rate hedged instruments, profit or loss is affected as interests are paid. The revaluation adjustment is therefore amortised over the remaining life of those hedged items;
- hedge of a net investment in a foreign operation: the amounts accumulated in other comprehensive income for the effective portion of the hedge remain in other comprehensive income as long as the net investment is held. Profit or loss is affected when the net investment in a foreign operation exits the scope of consolidation.

Embedded derivatives

An embedded derivative is the component of a hybrid contract that meets the definition of a derivative product. This definition applies only to financial liabilities and non-financial contracts. The embedded derivative 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.

The main hybrid financial investments held by Crédit Agricole Assurances at 31 December 2018 are some EMTN and convertible bonds. If the characteristics of the derivative are not closely linked to those of the host contract, Crédit Agricole Assurances has elected to recognise these instruments at fair value through profit or loss, their embedded derivatives are thus not accounted for separately.

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.

Crédit Agricole Assurances 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.

Counterparty risk on derivative instruments

Crédit Agricole Assurances incorporates into fair value the assessment of counterparty risk for derivative assets (credit valuation adjustment or CVA) and, using a symmetrical treatment, the non-performance risk for derivative liabilities (debit valuation adjustment or DVA or own credit risk).

The CVA makes it possible to determine the expected losses due to the counterparty from the perspective of Crédit Agricole Group, and DVA, the expected losses due to Crédit Agricole Group from the perspective of the counterparty.

The CVA/DVA calculation relies on an estimate of expected losses from the probability of default and the loss given default. The methodology used maximizes the use of observable market inputs. It is primarily based on market data such as registered and listed Credit Default Swaps (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 the evaluation.

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, notably, stocks and bonds quoted in active markets (such as the Paris Stock Exchange, the London Stock Exchange or the New York Stock Exchange, etc.), 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 a stock exchange, broker, dealer, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

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 used are based notably onh standard models and 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 market 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.

Crédit Agricole Assurances mainly classifies within Level 3 units in venture capital funds and unlisted equity securities.

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. The fair value measurement of these instruments notably includes liquidity risk and counterparty risk.

Offsetting of financial assets and financial liabilities

In accordance with IAS 32, Crédit Agricole Assurance offsets 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 are subject to offseting on the balance sheet.

Investment income net of investment expenses

This heading of the income statement includes all the income and expenses linked to the investments of insurance companies. It is detailed as follows.

Investment income

This heading includes:

- dividends received on equity instruments classified in the categories of financial assets at fair value through profit or loss and at fair value through other comprehensive income (items that cannot be reclassified);
- interests received and accrued on fixed-income securities and loans and receivables;
- amortisation of premiums and discounts on amortisable securities;
- other investment income, notably corresponding to commissions on financial services, rental income from investment properties and foreign exchange gains;
- the share in the net income of entities accounted for under the equity method.

Investment expenses

This heading includes:

- interest expenses on securities loaned under a repurchase arrangement;
- investment management expenses, including directly incurred expenses (commissions on financial services) or expense by function;
- other investment expenses (foreign exchange losses);
- charges and interests relating to the issuance of debt instruments.

Gains and losses on investments net of reversals of impairment and depreciation

This heading records net gains on the disposal of securities measured at amortised cost and fair value through other comprehensive income (items that can be reclassified), and real estate assets.

Change in fair value of investments recognised at fair value through profit or loss

This heading particularly includes the following profit or loss items:

- positive and negative value adjustments (unrealised gains and losses) of assets backing unit-linked contracts;
- other changes in the fair value of assets and liabilities recognised at fair value through profit or loss;
- realised gains and losses on financial assets at fair value through profit or loss;
- changes in fair value and income on disposal or termination of derivative instruments not forming part of a fair value or cash flow hedge.

This heading also includes the ineffective portion resulting from hedging relationships.

Change in investments impairment

This heading includes impairment variations of debt instruments recognised at fair value through other comprehensive income (items that can be reclassified) and at amortised cost, and real estate assets.

Financing commitments and guarantees given

Financing commitments that are not designated as assets at fair value through profit or loss or not considered as derivative instruments within the meaning of IFRS 9 are not recognised on the balance sheet. They are, however, subject to impairment 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 initially recognised at fair value then subsequently at the higher of:

- the amount of the loss allowance for expected credit 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".

REVENUE FROM CONTRACTS WITH CUSTOMERS (IFRS 15)

Fee and commission income and expenses are recognised in profit or loss 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 in profit or loss must reflect the rate of transfer to the customer of the control of the goods or services sold.

The income from a transaction associated with the provision of services is recognised 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 is recognised in profit or loss 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 profit or loss, 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.

Within the Crédit Agricole Assurances Group, revenues falling under the scope of IFRS 15 mainly concern revenues linked to investment contracts without discretionary participation features (commissions retrocessions).

INSURANCE CONTRACTS

Contract categories

Contracts issued by the Group's insurance companies can be divided into two main categories:

- insurance contracts and investment contracts with discretionary participation features, which fall under IFRS 4;
- investment contracts without discretionary participation features, which fall under IFRS 9.

Insurance contracts

These are contracts under which the insurer accepts significant insurance risk from another party, the policyholder, by agreeing to compensate the policyholder or another beneficiary if a specified uncertain future event, the insured event, adversely affects the policyholder or another beneficiary.

An insurance risk is defined as a risk other than financial risk, while financial risk is the risk of a potential future change in an interest rate, financial instrument price, commodity price, foreign exchange rate or another non-financial variable provided that it is not specific to one of the parties to the contract (otherwise it would qualify as an insurance risk).

For Crédit Agricole Assurances, for each portfolio of contracts grouped according to uniform characteristics, the significant nature of an insurance risk is analysed on the basis of a representative individual contract. The existence of a scenario (having commercial substance) under which the insurer would be required to pay to the policyholder significant benefits, that is to say amounts that significantly exceed those that would be paid if no insured event occurred, constitutes a significant insurance risk for all contracts of a uniform portfolio, regardless the likelihood of the scenario arising. Insurance risk may therefore be significant whereas the pooling of risks within a portfolio minimises the probability of a significant loss compared to the portfolio as a whole.

The main insurance risks are mortality (death benefits), longevity (life benefits, for example life-contingent annuities), morbidity (disability benefits), incapacity, illness (medical benefits) or unemployment for individuals, or third-party liability and damages to property.

Investment contracts with discretionary participation features

Contracts which do not expose the insurer to a significant insurance risk are classified as investment contracts.

They are considered investment contracts with discretionary participation features if they grant the policyholder the right to receive, in addition to guaranteed benefits, additional benefits:

- that are likely to represent a significant portion of total contractual benefits;
- whose amount or timing is contractually at the discretion of the insurer;
- and that are contractually based on the performance of a specified pool of contracts or type of contract, the realised and/or unrealised investment returns on a specified pool of assets held by the issuer or the net income of the company, fund or an entity other than that issuing the contract.

Investment contracts with discretionary participation features, are primarily euro-denominated savings contracts. In the event of a multi-fund contract, where the policyholder has the option of transferring at any time all or some of his savings into a euro-denominated fund with discretionary participation features (under conditions that are not likely to impede such arbitrations), the Crédit Agricole Assurances Group considers that the contract as a whole is a contract with discretionary participation features, whether or not this option has been exercised by the policyholder.

Investment contracts without discretionary participation features

Contracts sold by insurance companies which do not fit into either of the above categories are financial contracts without discretionary participation features.

Accounting for insurance contracts and investment contracts with discretionary participation features

As authorised under IFRS 4, insurance contracts and investment contracts with discretionary participation features are accounted for using principles adopted by Crédit Agricole Assurances in accordance with French consolidation standards (CRC 2000-05), with the exception of specific provisions introduced by the standard for equalisation reserves, shadow accounting and the liability adequacy test.

Technical liabilities on insurance contracts and investment contracts with discretionary participation features

Non-life insurance

Technical reserves for non-life insurance contracts include (i) claims reserves, covering the total cost of claims incurred but not yet settled and (ii) reserves relating to the acquisition of premiums (primarily unearned premiums reserves), which enable to recognise in the income statement of a given financial year the premiums relating to the risks actually covered during this financial year and therefore to defer the portion of premiums written during the financial year but concerning a later period.

Claims reserves result on the one hand from a case-by-case analysis of reported claims which have not been settled, and on the other hand from an estimate of late claims, that have occurred but have not yet been reported or that have been reported but whose valuation may be subject to a subsequent change. These reserves are reduced by projected recoveries to be collected, which are estimated from the collection pace of previous years, and increased by a reserve for claims management costs, aimed at covering future management costs of claims reported but not closed at the closing date. Claims reserves are not discounted, with the exception of reserves for incapacity and disability annuities.

Provisions for Incurred But Not Reported ("IBNR") claims correspond to an estimation of expenditure on claims that arose during the financial year but have yet to be declared and, where applicable, to an additional assessment of the provision determined on a case-by-case basis. They are determined through, on the one hand, the application of deterministic statistical methods based on historical data and, on the other hand, the use of actuarial assumptions drawing upon expert opinion to estimate total expenditure. Changes to the chosen parameters are likely to significantly affect the value of these provisions at the closing date; this is particularly relevant for long-term insurance categories for which the uncertainty inherent in forecasting is generally greater. These parameters are linked, inter alia, to the uncertainty surrounding the qualification and quantification of losses, the scales (tables and rates) that will be applied to determine compensation and the probability of withdrawal in favour of an annuity in cases involving physical injury. For the Crédit Agricole Assurances Group, this affects insurance categories covering automotive civil liability, general civil liability, personal accident guarantees and medical professional liability.

Premium and claims reserves may be complemented, where appropriate, by an unexpired risks reserve when unearned premiums do not cover the cost of the claims covered and associated costs for the period covered by such premiums, or by a reserve for increasing risks where, for long-term contracts relating to closed groups, the cost of future risk exceeds the amount of future premiums.

A provision for increased risks may be required with respect to insurance against illness and disability risks when premiums are constant. It is equal to the difference in the present value of commitments entered into by the insurer and policyholders (article R. 343-7 5 of the Code des assurances (French Insurance Code)). Its calculation relies on a continuous update of biometric databases (probability of becoming dependent, duration of care, etc.). From 2017, a supplement to the provision for increased risks has been recognised for the long-term care insurance product. This takes the form of a global provision, separate from the regulatory provision for increased risks, ensuring that the company will henceforth be in a position to withstand any future revenue shortfalls that cannot be quickly mitigated through tariff increases, contractually capped at 5% investment financial contracts with discretionary participation features.

Life insurance and investment contracts with discretionary participation features

Technical reserves on life insurance contracts and investment contracts with discretionary participation features correspond to the difference in the present value of the commitments of the insurer and those of the policyholder. Reserves are calculated using actuarial methods including assumptions on premiums, performance of financial assets, redemption rate and changes in general expenses. In the particular case of unit-linked contracts, the value of savings recognised as liabilities is based on the value of the financial assets (the investment units) held under the contracts. Revaluations of assets and liabilities on unit-linked contracts are recognised in profit or loss, where they cancel each other out.

Where contracts carry a significant risk of mortality (or longevity) they are also calculated with reference to regulatory mortality tables or experience tables, where these are considered more prudent. More particularly, where a minimum guaranteed death benefit is included in a unit-linked contract, guaranteeing the beneficiary at least the initial capital investment irrespective of changes in the value of units held, this is subject to a reserve determined from an economic method (stochastic scenarios). Life insurance reserves are discounted using the technical interest rate (guaranteed minimum interest rate, regulatory capped).

Where fees on premiums, assets managed or financial products prove to be insufficient to cover future management costs, Crédit Agricole Assurances records a reserve for management costs. This is determined by dividing the portfolio into homogenous categories of contract, in accordance with the provisions of article 142–6 of ANC regulation 2015-11. Projected accounts for each category are based on prudent assumptions as stated in the regulatory texts (surrender rate, rate of financial return, unitary management cost) and there is no offsetting between onerous and profitable categories. In 2017, in a context of persistently low interest rates, it was decided to reassess the measurement model and assumptions, which led to the recognition of a reserve.

Lastly, a participation reserve is recorded where returns exceeding the guaranteed minimum are allocated, by contract or regulation, to policyholders or other subscribers to individual or collective contracts but have not been paid to them during the accounting period. Where required, this reserve is completed by the deferred participation resulting from the application of the shadow accounting principle.

Application of shadow accounting and deferred participation

Insurance contracts and investment contracts with discretionary participation features are subject to "shadow accounting" in accordance with the option available under IFRS 4. Shadow accounting consists in recognising in a deferred participation account the share of positive or negative revaluations of financial assets backing these contracts, together with certain consolidation entries (e.g. elimination of liquidity risk reserve) that, potentially, go to policyholders.

In addition, CRC n°2000-05 regulation includes provisions for the recognition of deferred participations, mandatorily for deferred participation liabilities and within the limits of the recoverable amount for deferred participation assets.

This deferred participation is recorded as a liability (technical liabilities on contracts) or an asset, with a balancing entry in profit or loss or in other comprehensive income similarly to the unrealised gains or losses on the assets to which it relates.

For Predica savings contracts, the deferred participation rate is measured prospectively on the basis of studied scenarios, consistent with the management directions of the company; it is updated only when significantly varying.

In the case of net unrealised losses, a deferred participation asset is only recognised if its imputation, by entity, against future participations is highly probable. This is most notably the case if the deferred participation asset can be deducted from future participations, either directly by deducting it from deferred participation liabilities recognised as a result of gains on future disposals, or indirectly by being recovered on the future sums paid to policyholders.

In case of recognition of a deferred participation asset, recoverability tests are carried out in accordance with the CNC recommendation of 19 December 2008. They are based:

- firstly, on analyses of the liquidity of the company; these demonstrate the company's ability to mobilise resources to meet its obligations and its ability to hold assets with unrealised losses even in the event of a decline in new premium production. The tests are carried out with and without new production;
- secondly, on a comparison between the average value of future benefits valued using an internal model that replicates the management decisions of the company and the value of the asset supporting the market value of its obligations; this illustrates the ability of the company to honour its obligations.

Lastly, sensitivity tests on the ability to capitalise the deferred participation asset are also carried out, notably:

- in the event of a uniform 10% increase in policy redemptions applied to the redemption rates resulting from scenarios similar to those drawn up by the *Autorité de Contrôle Prudentiel et de Résolution*;
- in the event of an additional 10% fall in equity and real estate markets.

Liability adequacy test

In accordance with IFRS 4, Crédit Agricole Assurances ensures at the end of each reporting period that the liabilities of insurance contracts and investment contracts with discretionary participation features (net of related deferred acquisition costs and related intangible assets) are adequate in the light of future estimated cash flows.

The liability adequacy test to be applied for this assessment must meet the following minimum requirements set out in the standard:

- consideration of all contractual cash flows, and of related cash flows such as claims handling costs, commissions as well as cash flows resulting from embedded options and guarantees;
- if the test shows that liabilities are inadequate, the entire deficiency is recognised in profit or loss.

The Group's life insurance companies test the adequacy of their liabilities using a stochastic method. The test considers mathematical reserves on life insurance contracts (excluding unit-linked contracts) grouped into product families with uniform characteristics. The resulting estimates of future cash flows are compared, aggregating all product families, with the sum of the following items: mathematical reserves + participation reserve + share of unrealised gains and losses attributed to the product families concerned. In the event that the result of the estimates is higher than this sum, an additional reserve is recognised through profit or loss.

The Group's non-life insurance companies perform an annual test based on "best estimate" claims reserves. This test covers all claims reserves, including incurred but not reported claims reserves, additional reserves for commutation to annuities and reserves for claims management costs. The analysis is carried out on the basis of data gross of reinsurance, by risk segment and financial year of occurrence.

The "best estimate" claims reserves are calculated without discounting and prudential margin and correspond to the probable value of expenditure necessary to settle all outstanding claims. They are compared to accounting claims reserves, gross of reinsurance. Should the estimates exceed the recognised amounts, an additional reserve would be recognised through profit or loss.

In addition, where a reserve for insufficiency of premiums is recognised in local accounts (in France an unexpired risks reserve), this is maintained in the consolidated accounts.

In the specific case of creditor insurance, the adequacy of reserves is tested at the end of each reporting period by comparing accounting reserves with those calculated on the basis of an updated claims/premiums ratio and a margin for risk and uncertainty. This is calculated for each partner.

Recognition of revenue on insurance contracts and investment contracts with discretionary participation features

Premiums

Revenue on life insurance contracts and investment contracts with discretionary participation features corresponds to premiums on contracts in force during the accounting period, net of cancellations and corrected for premiums to be written for the share to be earned in subsequent periods.

Revenue on non-life insurance contracts corresponds to written premiums excluding taxes, gross of reinsurance, net of cancellations, reductions and rebates, changes in premiums not yet written and changes in premiums to be cancelled. Written premiums adjusted for changes in unearned premiums reserves constitute earned premiums.

Claims expenses

Claims expenses relating to insurance contracts and investment contracts with discretionary participation features include:

- all benefits as soon as they are settled to the beneficiary;
- technical interests and profit participation that can be included in these benefits;
- changes in technical reserves;
- all costs incurred as part of the management and settlement of these benefits.

Claims expenses relating to non-life insurance contracts primarily include benefits and costs paid, together with changes in claims reserves. Claims correspond to claims net of recoveries for the period, and to annuity payments. They also include costs and commissions relating to claims handling and settlement.

Accounting for investment contracts without discretionary participation features

This class of investment contracts corresponds to financial liabilities and is covered by IFRS 9. They concern primarily unit-linked contracts without minimum guarantee and without the option of transfer to an investment contract with discretionary participation features.

In accordance with IFRS 9, liabilities relating to these contracts are recognised as deposits. Thus premiums received and benefits paid, net of fees deducted by the insurer, are recognised directly on the balance sheet. The only items recognised in profit or loss are revenues and expenses relating to the acquisition and management of contracts.

Liabilities relating to unit-linked contracts are valued and recognised with reference to the value of financial assets (investment units) backing these contracts at the end of the reporting period. Revaluations of assets and liabilities on unit-linked contracts have no effect in profit or loss. This rule applies to all unit-linked contracts, whether they qualify as insurance contracts under IFRS 4 (for example if they include a guaranteed death benefit), investment contracts with discretionary participation features (for example, in a multi-funds investment contract, where they include a clause allowing an arbitration to an investment contract with discretionary participation features), or investment contracts without discretionary participation features.

Deferred origination costs, unearned charges and deductions

Origination costs for investment contracts without discretionary participation features are subject to a similar treatment as deferred acquisition costs for life insurance contracts covered by IFRS 4.

Symmetrically with the deferral of costs incurred on origination of contracts, unearned charges and deductions are spread over time *via* the booking of a reserve in liabilities. These are recognised in profit or loss at the same pattern as that of deferred costs.

Reinsurance operations

Presentation of direct business and ceded reinsurance

Premiums, claims and reserves are recognised gross of ceded reinsurance. The share of ceded reinsurance, determined based on reinsurance treaties, is identified in the income statement under separate items for ceded reinsurance income and expense.

The share of reinsurers in reserves is recognised as an asset.

No reinsurance contract falls under the scope of IFRS 9.

Accepted reinsurance

Accepted reinsurance is recognised treaty by treaty, on the basis of information provided by the cedants, or estimated in the event of receipt of incomplete information. Accepted reinsurance contracts are recognised as direct insurance contracts.

No reinsurance contract incorporates characteristics (such as the absence of risk transfer) that would result in its qualification as an investment contract covered by IFRS 9.

Securities given or received as collateral for reinsurance operations are recorded in the table of commitments given and received.

ANALYSIS OF GENERAL EXPENSES BY FUNCTION

In accordance with paragraph 99 of IAS 1 and the ANC recommendation No. 2013-R-05 of 7 November 2013, general expenses are analysed by function.

Thus, in the consolidated income statement of the Group, general expenses are presented according to the following functions:

- acquisition and similar expenses;
- claims handling expenses;
- investment management expenses;
- administrative expenses;
- other technical expenses;
- other non-technical expenses;

The analysis of expenses by nature is presented under the following headings:

- staff costs;
- commissions;
- taxes;
- other.

PROVISIONS (OTHER THAN INSURANCE ACTIVITIES)

In accordance with IAS 37, Crédit Agricole Assurances identifies obligations (legal or constructive) resulting from a past event, where it is probable (probability higher than 50%) that an outflow of resources will be required to settle the obligation, whose timing and amount are uncertain but can be reliably estimated. Such estimates are discounted where the effect of doing so is material.

Therefore, Crédit Agricole Assurances recognises provisions which cover, in particular:

- operating risks;
- employee benefits (see paragraph below);
- legal claims and risks;
- tax risks.

The valuation of these provisions relies on judgment and corresponds to the management's best estimate, given information available at the end of the reporting period.

EMPLOYEE BENEFITS (IAS 19)

In accordance with IAS 19, employee benefits are divided into four categories:

- short-term employee benefits such as salaries, social security contributions, paid annual leave, profit sharing and bonuses, if payable within twelve months after the end of the reporting period in which the related services were rendered;
- long-term employee benefits (long-service awards, bonuses and compensation payable more than twelve months after the end of the reporting period);
- termination benefits;
- post-employment benefits, which are themselves classified into the two categories described thereafter: defined benefit plans and defined contribution plans.

Long-term employee benefits

Long-term employee benefits are employee benefits, other than post-employment benefits and termination benefits, but not fully due to employees within twelve months after the end of the reporting period in which the related services were rendered.

This particularly concerns bonuses and other deferred compensation paid twelve months or more after the end of the reporting period in which they were acquired, but which are not indexed on equity instruments.

The measurement method is similar to that used by the Group for post-employment benefits falling under the defined benefit plans category.

Post-employment benefits

Defined benefit plans

At the end of each reporting period, Crédit Agricole Assurances determines its retirement benefits and similar benefits together with all other post-employment benefits granted to employees that fall into the defined benefit plans category.

In accordance with IAS 19, these obligations are measured using the Projected Unit Credit Method on the basis of a set of actuarial, financial and demographic assumptions. This method consists in attributing a unit of benefit entitlement to each period of service of the employee. This unit is calculated on the basis of the discounted present value of the future benefit.

Calculations of retirement benefits and future employee benefits are based on assumptions regarding the discount rate, the employee turnover rate, the rate of salary and social security costs increase, drawn up by the management. If actual figures differ from the assumptions used, the charge relating to retirement benefits may increase or decrease in future reporting periods (see note 8.3).

Discount rates are determined based on the average duration of the obligation, that is to say the unweight average of durations calculated between the date of valuation and the date of payment weighted for employee turn-over assumptions.

The expected rate of return on plan assets is also estimated by the management. Estimated returns are based on the estimated return from fixed-income securities including notably bond yields.

The expected rate of return on plan assets is determined on the basis of the discount rates used to measure the defined benefit obligation.

In accordance with IAS 19 revised, Crédit Agricole Assurances recognises all actuarial gains or losses in other comprehensive income.

The amount of the defined benefit liability is equal to:

- the present value of the defined benefit obligation at the reporting date, calculated according to the actuarial method recommended by IAS 19;
- less, where appropriate, the fair value of the plan assets held to cover this obligation. Such assets may be represented by a qualifying insurance policy issued by an insurer that is not a related party. Where the obligation is entirely covered by a policy corresponding exactly, in its amount and period, to all or part of the benefits to be paid under the plan, the fair value of this policy is considered to be that of the corresponding obligation (that is, the amount of the corresponding actuarial liability). In the particular case where obligations are covered by an insurance policy issued by a consolidated entity, they are not offset in liabilities by the associated assets, which are recognised separately as assets.

For non-covered obligations, a provision aimed at covering termination benefits is recognised as a liability under the heading "Provisions". This provision equals the amount of the obligations relating to employees of entities within the Crédit Agricole Assurances Group, in service at the end of the reporting period and covered by the Collective Employment Agreement of the Crédit Agricole Group that came into force on 1 January 2005.

A provision aimed at covering the cost of early departures is also included under the heading "Provisions". This provision covers the present value of the additional cost resulting from the various early departure agreements signed by Crédit Agricole Group entities which allow employees reaching the required age to be exempt from their service.

Lastly, supplementary retirement obligations, which generate obligations for the companies concerned, are subject to provisions determined from the actuarial debt representing these obligations. These provisions are also recognised as liabilities on the balance sheet under the heading "Provisions" (see note 8.3).

Defined contribution plans

There are various mandatory retirement plans to which "employer" companies contribute. Plan assets are managed by independent organisations and the contributing companies have no legal or constructive obligation to pay additional contributions if the plans do not have sufficient assets to provide all the benefits corresponding to services rendered by employees during the current and prior reporting years. As a result, Crédit Agricole Assurances has no liabilities in this respect other than the contributions to be paid for the past reporting period (see note 8.2).

SHARE-BASED PAYMENTS (IFRS 2)

The IFRS 2 standard Share-based payment specifies the measurement of share-based payment transactions in the income statement and balance sheet of the company. This standard applies to transactions entered into with employees and more precisely to:

- equity-settled share-based payment transactions;
- cash-settled share-based payment transactions.

Share-based payment plans granted to employees of Crédit Agricole Assurances and qualifying under IFRS 2 are primarily of the equity-settled type (stock options, grants of free shares, variable compensation with indexed cash settlement or settled with equity etc.).

Granted options are measured at grant date at their fair value mainly according to the Black & Scholes model. These are recognised as expenses under the heading "staff costs" with a balancing entry in an equity account over the vesting period, that being four years for all current plans.

The expense relative to share-based payment plans settled in Crédit Agricole S.A. equity instruments is recognised in the financial statements of the entities employing the plan beneficiaries.

CURRENT AND DEFERRED TAX (IAS 12)

In accordance with IAS 12, income tax includes all taxes based on income, whether current or deferred.

IAS 12 defines the current tax liability as "the amount of income taxes payable (recoverable) in respect of the taxable profit (tax loss) for a period." Taxable profit is the profit (loss) for a period determined in accordance with the rules established by the taxation authorities.

The taxation rates and rules applicable for the determination of the current tax liability are those in force in each of the countries in which subsidiaries of Crédit Agricole Assurances are based.

The current tax liability includes all income taxes, payable or recoverable, whose payment is not subject to the completion of future transactions, even if payment is spread over several periods.

The current tax liability must be recognised as a liability until it is paid. If the amount already paid in respect of current and prior periods exceeds the amount due for these periods, the excess shall be recognised as an asset.

In addition, certain transactions conducted by the entity may have tax consequences not taken into account in the determination of the current tax liability. Differences between the carrying amount of an asset or liability and its tax base are defined by IAS 12 as temporary differences.

The standard requires the recognition of deferred tax assets and liabilities in the following cases:

- a deferred tax liability shall be recognised for all taxable temporary differences between the carrying amount of an asset or liability and its tax base, except to the extent that the deferred tax liability arises from:
  - the initial recognition of goodwill,
  - the initial recognition of an asset or a liability in a transaction that is not a business combination and affects neither accounting profit nor taxable profit (tax loss) at the transaction date;
- a deferred tax asset shall be recognised for all deductible temporary differences between the carrying amount of an asset or liability and its tax base, to the extent that it is probable that a taxable profit will be available against which these deductible temporary differences can be allocated;
- a deferred tax asset shall also be recognised for the carry-forward of unused tax losses and unused tax credits to the extent that it is probable that future taxable profit will be available against which the unused tax losses and unused tax credits can be allocated.

The tax rates used are those applicable in each country.

Deferred tax assets and liabilities are not discounted to present value.

When taxable, unrealised capital gains on securities do not generate taxable temporary differences between the carrying value of the asset and the tax base. They do not therefore give rise to the recognition of deferred taxes. Where the securities in question are classified in the category of financial assets at fair value through other comprehensive income, unrealised gains or losses are recognised in equity. Thus, the actual tax expense or tax reduction incurred by the entity in relation to these unrealised gains or losses is reclassified by deduction of the latter.

In France, gains on equity participations as defined by the General Tax Code and qualifying for the long-term tax regime are exempt from tax for reporting periods open from 1 January 2007 (with the exception of a 12% share of the gain, taxed at the standard tax rate). Unrealised capital gains recognised at the end of the period thus generate a temporary difference, giving rise to the recognition of deferred taxes corresponding to this share.

Current and deferred tax shall is recognised in the net income of the reporting period except to the extent that the tax arises from:

- either a transaction or event which is recognised directly in other comprehensive income, in the same or a different period, in which case it is directly credited or debited in other comprehensive income; or
- 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 the deferred tax liabilities relate to income taxes levied by the same taxation authority:
  - either on the same taxable entity,
  - or on different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax credits on income from receivables and securities portfolios, when effectively used in the settlement of income tax due for the reporting period, are recognised under the same heading as the income to which they relate. The corresponding tax expense is maintained under the "Income tax" heading in the income statement.

However, in view of the legislator's goal of reducing staff expenses through the Competitiveness and Employment Tax Credit (*Crédit d'Impôt pour la Compétitivité et l'Emploi – CICE*), Crédit Agricole Assurances has elected to recognise the CICE (under article 244 *quater* C of the French General Tax Code) as a deduction from staff expenses.

FOREIGN CURRENCY TRANSACTIONS (IAS 21)

In accordance with IAS 21, a distinction is made between monetary (e.g.: debt instruments) and non-monetary items (e.g.: equity instruments).

At the end of the reporting period, monetary assets and liabilities in foreign currencies are translated at the closing exchange rate into the functional currency of the Crédit Agricole Assurances Group, *i.e.* the euro. Foreign exchange differences resulting from this translation are recognised through profit and loss. There are three exceptions to this rule:

- for debt instruments at fair value through other comprehensive income, the component of the foreign exchange difference relating to the amortised cost is recognised through profit or loss; the rest is recognised in other comprehensive income (items that can be reclassified);
- exchange differences on items that qualify as hedging instruments in a cash flow hedge or that are part of a net investment in a foreign operation, are recognised in other comprehensive income (items that can be reclassified);
- for financial liabilities designated at fair value through profit or loss, the exchange differences linked to credit risk fair value variations are recognised in other comprehensive income (items that cannot be reclassified).

The treatment of non-monetary items varies according to the nature of these items:

- items at historical cost are measured using the exchange rate at the transaction date;
- items at fair value are measured using the exchange rate at the end of the reporting period.

Exchange differences on non-monetary items are recognised:

- in profit or loss when the gain or loss on the non-monetary item is recognised in profit or loss;
- in other comprehensive income (items that cannot be reclassified) if the gain or loss on the non-monetary item is recognised in other comprehensive income (items that cannot be reclassified).

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS (IFRS 5)

A non-current asset (or 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 assets and liabilities concerned are recognised separately on the balance sheet under the headings "Assets held for sale including discontinued operations" and "Liabilities held for sale including discontinued operations".

These non-current assets (or disposal groups) classified as held for sale are measured at the lower of their carrying amount and their fair value less costs of sale. In case of unrealised loss, an impairment is recognised in profit or loss. In addition, such assets are no longer depreciated from their classification as held for sale.

If the fair value less costs of sale of the disposal group is lower than its carrying amount less impairment of non-current assets, the difference is allocated to the other assets of the disposal group, including financial assets, and recognised in the net income of assets held for sale.

A discontinued operation is a component of the Group that either has been disposed of or is classified as held for sale and is in one of the following situations:

- it represents a separate major line of business or geographical area of operations;
- it is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- it is a subsidiary acquired exclusively with a view to resale.

The following are presented on a separate line of the income statement:

- the net post-tax profit or loss of discontinued operations until the disposal date;
- the post-tax gain or loss resulting from the disposal or the measurement at fair value less costs of sale of the assets and liabilities constituting discontinued operations.

Consolidation principles and policies (IFRS 10, IFRS 11 and IAS 28)

CONSOLIDATION SCOPE

The consolidated financial statements include the financial statements of Crédit Agricole Assurances and of all companies over which, in accordance with the provisions of IFRS 10, IFRS 11 and IAS 28, Crédit Agricole Assurances has control, joint control, or significant influence.

Principle of control

In accordance with international accounting standards, all the entities under control, joint control or significant influence are consolidated, provided that they do not fall within the scope of the exclusions mentioned thereafter.

Crédit Agricole Assurances is presumed to control an entity if it is exposed, or has rights, to variable returns from its involvement with the entity, and if it is able to use its power over this entity to affect those returns. For the purpose of assessing this principle of power, only substantive (voting or contractual) rights shall be considered. Rights are substantive if their holder is able in practice to exercise them when making decisions concerning the entity's relevant activities.

Control over a subsidiary governed by voting rights is determined when the voting rights held give Crédit Agricole Assurances the current ability to direct the subsidiary's relevant activities. Crédit Agricole Assurances generally controls the subsidiary if it holds, directly or indirectly through subsidiaries, more than half of the existing or potential voting rights of an entity, unless it can be clearly demonstrated that such ownership does not allow it to direct the relevant activities. Crédit Agricole Assurances also has control over an entity if it holds half or less than half of the voting rights, including potential voting rights, of an entity, but in practice has the capacity to direct the relevant activities on its own, in particular due to the existence of contractual arrangements, the relative size of the investor's holding of voting rights relative to the dispersion of holdings of the other vote holders, or other facts and circumstances.

Control over a structured entity is not determined by the percentage of voting rights that by nature have no impact on the returns generated by the entity. Analysis of control takes contractual arrangements into account, and also the involvement and decisions of Crédit Agricole Assurances in the creation of the entity, arrangements entered into at inception and risks incurred by

Crédit Agricole Assurances, rights resulting from agreements that give the investor the power to direct the relevant activities solely under specific circumstances, as well as other facts or circumstances that indicate that the investor has the ability of directing the entity's relevant activities. If there is an investment mandate in force, the scope of the decision-making authority relating to the delegation of power over the entity to the manager, as well as the remuneration to which it is entitled in accordance with the contractual agreements, are analysed in order to determine whether the manager is acting as an agent (delegated power) or principal (for its own account).

Thus, when decisions relating to the entity's relevant activities are to be taken, the factors to consider in determining whether an entity is acting as agent or principal, are the following: the scope of the decision-making authority relating to the delegation of power over the entity to the manager, the remuneration to which it is entitled in accordance with the contractual agreements, and also the substantive rights held by the other parties involved in the entity that may affect the ability of the decision-maker, and the exposure to variability of returns from other interests held in the entity.

Joint control is exercised if there is a contractually agreed sharing of control over an economic activity. Decisions affecting the entity's relevant activities require the unanimous consent of the parties sharing control.

In traditional entities, significant influence results from the power to participate in the financial and operating policy decisions of an entity without controlling the latter. Crédit Agricole Assurances is presumed to have significant influence if it holds, directly or indirectly through its subsidiaries, 20% or more of the voting rights of an entity.

Exclusions from the consolidation scope

In accordance with the provisions of IAS 28, minority interests held by entities for which the option allowed by article 18 of this standard has been used, are excluded from the consolidation scope insofar they are classified as financial assets at fair value through profit or loss.

CONSOLIDATION METHODS

The consolidation methods are defined respectively by IFRS 10 and IAS 28 revised. They reflect the nature of control exercised by Crédit Agricole Assurances over the entities that can be consolidated, whatever their activity and whether or not they are incorporated:

- full consolidation for entities under control, including entities with different accounting structures, even if their activity is not an extension of that of Crédit Agricole Assurances;
- the equity method, for entities under significant influence and under joint control.

Full consolidation consists in substituting the assets and liabilities of each subsidiary for the value of shares held. Non-controlling interests in equity and income are recognised separately in the consolidated balance sheet and income statement.

Non-controlling interests are as defined by IFRS 10 and include instruments that are present ownership interests and which entitle to a share of net assets in the event of liquidation together with other equity instruments issued by the subsidiary and not held by the Group.

The equity method consists in substituting the Group's share in equity and income of concerned entities for the value of shares held.

Changes in the carrying amount of these securities take changes in goodwill into account.

In the event of additional acquisitions or partial disposals, with the maintenance of joint control or significant influence, Crédit Agricole Assurances recognises:

- in the case of an increase in ownership interest held, additional goodwill;
- in the case of a decrease in ownership interest held, a gain or loss on disposal/dilution through profit or loss.

Furthermore, for the recognition of its participation in certain entities on which it has a significant influence, the Group applies the exemption of the equity method as permitted by IAS 28 § 18. This measurement exemption allows an entity to elect to measure at fair value through profit or loss an investment in an associate or a joint venture, that is held by, or indirectly held through, an entity that is a venture capital organisation, or a mutual fund, unit trust and similar entities including investment-linked insurance funds.

RESTATEMENT AND ELIMINATION OF INTRAGROUP TRANSACTIONS

Restatements necessary to harmonise the measurement methods of the individual financial statements of the consolidated entities are performed, with reference to the Group's common principles.

Restatement entries are completed by elimination entries of transactions conducted between the Group's consolidated entities:

- elimination, for fully consolidated entities, of the effect on the consolidated balance sheet and income statement of intragroup transactions, especially intragroup dividends and reinsurance operations;
- elimination of gains or losses generated by assets disposals between consolidated entities; where necessary, any long-term impairment measured at the time of an internal transfer is recorded.

Transactions conducted with other entities within the Crédit Agricole S.A. Group which do not fall within the consolidation scope of Crédit Agricole Assurances are not considered as intragroup transactions for the purposes of these consolidated financial statements.

TRANSLATION OF FOREIGN SUBSIDIARIES'FINANCIAL STATEMENTS (IAS 21)

Financial statements of foreign subsidiaries are converted into euros in two stages:

- translation, where necessary, from the local presentation currency into the functional currency (currency of the primary economic environment in which the entity operates) following the historical cost method, with foreign exchange differences being fully and immediately recognised in profit or loss;
- translation from the functional currency into euros, the accounting currency of the Group's consolidated financial statements. Assets and liabilities are translated at the closing exchange rate. Income and expense items of the income statement are translated at the average exchange rate for the period. Foreign exchange differences arising from the translation of assets, liabilities and the income statement are recognised in other comprehensive income.

BUSINESS COMBINATIONS – GOODWILL

General principles

Business combinations are accounted for in accordance with IFRS 3, except in the following cases:

- the combination of entities or businesses under common control;
- the combination of distinct entities or businesses to form a joint venture;
- the combination of two or more mutual entities;
- the combination of distinct entities or businesses to form an entity presenting financial statements by contract alone without transferring consideration (for example combinations under which distinct entities are combined by contract alone to form a dual listing corporation).

On the date on which control is obtained, the identifiable assets, liabilities and contingent liabilities of the acquiree which meet the recognition conditions of IFRS 3 are recognised at fair value. However, as allowed under IFRS 4 for the acquisition of an insurance company, the liabilities relating to the life insurance contracts or investment contracts with discretionary participation features acquired are maintained at their carrying amount on the balance sheet of the acquiree (after harmonisation with Crédit Agricole Assurances measurement methods if necessary) and the value of these portfolios of contracts is recognised in assets and amortised over the period of payment of profits. This portfolio value represents the present value of future profits on the contracts acquired and corresponds to the difference between the fair value of contracts and their carrying amount.

No restructuring liability is recognised as a liability of the acquiree unless the latter, at the acquisition date, is obliged to carry out this restructuring.

Price adjustment clauses are recognised at fair value, even if their realisation is not probable. Subsequent changes in fair value of the clauses, which have the characteristics of financial debt, are recognised in profit or loss. Only those price adjustment clauses relating to operations where the acquisition of control took place before 31 December 2009 May still be recognised against goodwill, as such transactions were initially recognised under non-revised IFRS 3 standard (2004).

Components of non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation shall be measured, at the option of the acquirer, either:

- at fair value at the acquisition date;
- at the proportionate share in identifiable assets and liabilities of the acquiree subsequently measured at fair value.

This option may be exercised on an acquisition-by-acquisition basis.

All other components of non-controlling interests (equity instruments issued by the subsidiary and not owned by the Group) shall be measured at their acquisition-date fair values.

The initial measurement of assets, liabilities and contingent liabilities may be adjusted within a maximum period of twelve months from the acquisition date.

Certain transactions relating to the acquiree shall be accounted for separately from the business combination.

This applies in particular to:

- transactions that in effect settle a pre-existing relationship between the acquirer and the acquiree;
- transactions that remunerate employees or former owners of the acquiree for future services;
- transactions that reimburse the acquiree or its former owners for paying the acquirer's acquisition related costs.

These separate transactions are generally recognised in profit or loss at the acquisition date.

The consideration transferred during a business combination (the acquisition cost) is measured as the total of the fair values transferred by the acquirer, at the acquisition date, in exchange for control of the acquiree (e.g. cash, equity instruments, etc.).

Costs directly attributable to the combination in question are recognised in expenses, separately from the combination. If the transaction has a very high probability of being completed they are recognised under the heading "Net gains or losses on other assets", otherwise they are recognised under "Other operating costs".

The difference between the sum of the acquisition cost and non-controlling interests, and the net balance, at the acquisition date, of identifiable assets acquired and liabilities assumed measured at fair value, is recognised, where positive, as an asset in the consolidated balance sheet, under the heading "Goodwill" where the acquiree is fully consolidated, and under the heading "Investments in equity affiliates" where the acquiree is consolidated by the equity method. If this difference is negative, it is immediately recognised through profit or loss.

Goodwill is recognised on the balance sheet at its initial cost denominated in the acquiree's currency and translated at the closing exchange rate.

In the event of a business combination achieved in stages, the acquirer's previously held equity interest in the acquiree shall be remeasured at its acquisition-date fair value through profit or loss, and goodwill is computed only once, on the basis of the acquisition-date fair value of the assets acquired and liabilities assumed.

Subsequent measurement of goodwill is described in the note on accounting principles and methods.

In the event of an increase in Crédit Agricole Assurances'ownership interest in an entity over which it already exercises exclusive control, the difference between the acquisition cost and the share of net assets acquired is recognised as a reduction in the heading "Consolidated reserves, Group share". Symmetrically, in the event of a reduction in the ownership interest held by the Group in an entity remaining exclusively controlled, the difference between the disposal price and the carrying amount of the share in net assets sold is also recognised directly in the Group share of consolidated reserves. Costs relating to such transactions are recognised in other comprehensive income.

In the event of a loss of control, the result of the disposal is calculated for the entirety of the entity sold and any residual investment share retained is recognised in the balance sheet at its fair value at the date of loss of control.

Business combinations of entities under common control

This type of combination applies to entities that are already controlled by the Group. In this event, transfers and sales are not recognised at fair value but at their net carrying amount in the consolidated financial statements of the parent at the date of the combination, provided such values were established in accordance with IFRS standards. Existing goodwill in the Group's accounts at this date is maintained in the same manner as other assets.

This strict application results in summing the equity accounts of the various entities concerned. If the transaction price is different from the net carrying amount of the acquirees, this method results in recognising the difference directly in consolidated reserves without recognising any additional goodwill.

The constitution of Crédit Agricole Assurances in 2008, as a result of the restructuring of the insurance activities of the Crédit Agricole Group, was conducted under this principle.

NOTE 2 Major structural transactions and material events during the period

Issuance of a subordinated debt

On 29 January 2018, Crédit Agricole Assurances issued subordinated securities of 30 years maturity to institutional investors for a nominal value of one billion euros. These securities are refundable from the first date of call, 29 January 2028 and at the annual interest fixed rate of 2.625% up to that date.

Following this issue, Crédit Agricole assurances reimbursed subordinated debts to Crédit Agricole S.A. of one billion euros.

Early repayment of subordinated debts to call first date

On 19 December 2018, after the approval of the *Autorité de contrôle prudentiel et de résolution*, Crédit Agricole Assurances reimbursed at par a subordinated securities of 360 million euros subscribed by Crédit Agricole S. A.

Bancassurance partnership with Credito Valtellinese in Italy

On 25 July, Crédit Agricole Assurances announced a new strategic partnership of Bancassurance in Italy with the Italian bank Credito Valtellinese (CreVal). The partnership would confer Crédit Agricole Assurances, *via* its Italian subsidiary Crédit Agricole Vita S.p.A., exclusive access to the distribution network of CreVal for all savings products as well as for certain retirement products for a period can be up to 15 years. CreVal has a network of about 412 agencies serving nearly a million customers.

In the framework of this partnership, Crédit Agricole Assurances acquired in the fourth quarter 2018 the entire capital of a subsidiary of Creval, Global Assicurazioni S.p.A. renamed Stelvio Agenzia Assicurativa after being restructured and refocused on life and death & disability insurance distributed by the CreVal network.

Additional Acquisition of GNB Seguro Securities

On 21 December 2018, Crédit Agricole Assurances carried its stake in the capital of GNB Seguros from 50% to 75%, the remaining 25% being held by the Portuguese banking Group Novo Banco.

The operation confirms the willingness of Crédit Agricole Assurances to continue to develop its non-life insurance activities in Portugal and to consolidate its partnership with Novo Banco.

Established in 1996, GNB Seguros is the 13th non-life insurance company in Portugal and displays at the end of 2018, more than 78 million euros of premiums issued.

NOTE 3 Subsequent events

Sale of CA Life Greece

The sales contract signed on 7 July 2018 was sent for finalisation at the end of August to the regulator. On 21 January 2019, the sales process with the identified purchaser was interrupted. Yet, plans to sell remain unchanged and the search for a new buyer for the entity or its portfolios is still in progress, therefore CA Life Greece was maintained in IFRS 5 in the consolidated financial statements as of 31 December 2018.

NOTE 4 Financial management, exposure to risk and management of capital

Financial management

The Asset Liability Technical Management (ALTM) and Corporate Finance functions of Crédit Agricole Assurances have the responsibility for organising financial flows within the Crédit Agricole Assurances Group, for the definition and implementation of financing rules, the allocation of equity, the management of assets and liabilities and the oversight of the prudential ratio.

They define and ensure the consistency of the Crédit Agricole Assurances Group's financial management.

Management of risks is conducted by the Group Risk and Permanent Controls department of Crédit Agricole Assurances, in cooperation with the Group Risk Management department of the Crédit Agricole S.A. Group (DRG). This department is responsible for coordinating the management of financial risk, credit risk and the operating risk of subsidiaries.

The description of these systems together with narrative information is included in the management report, in the "Risk factors" chapter, as allowed under IFRS 7. The risk exposure of the Crédit Agricole Assurances Group are presented in the risk factors (management report, section 4).

Capital management and solvency margin

Applicable regulations for entities within the Crédit Agricole Assurances Group, in France and elsewhere, require that each insurance company maintains a minimum solvency ratio, the main purpose of which is the protection of the policyholder.

As at 31 December 2018, the Crédit Agricole Assurances Group and each of its individual subsidiaries met their solvency obligations.

The various items considered by the Group as available capital are determined in accordance with the rules applicable under Solvency II.

As at 31 December 2018, the eligible equity consisted primarily of the following:

- consolidated shareholders'equity;
- remeasurement at fair value of financial assets and liabilities measured at amortized cost;
- eligible subordinated debt;
- remeasurement of the technical liabilities corresponding to the sum of better estimations of provisions and margin for risks;
- deduction of intangible assets.

The calculation of the adjusted solvency ratio is submitted to the *Autorité de contrôle prudentiel et de résolution*, which is responsible for the application of these directives in France.

NOTE 5 Segment information

In accordance with IFRS 8, the information presented is based on the internal reporting used by the Executive Committee for the management of the Crédit Agricole Assurances Group, the evaluation of performance and the allocation of resources to the operating sectors identified.

The operating sectors presented in the internal reporting correspond to the Group's specialised businesses.

Within Crédit Agricole Assurances, businesses are organised into 5 operating segments.

"Life – France" covers the life insurance, savings, retirement and death & disability insurance operations conducted by the French entities of the Group.

"Non-life – France" covers mainly motor, household, agricultural, life accident insurance products and health sold in France.

"Creditor insurance" covers creditor insurance activities in France (with the exception of those conducted by Predica which are included in the life – France segment) and abroad.

"International" covers the life and non-life insurance activities conducted outside France.

"Other" covers primarily holding company activities and reinsurance.

The geographical analysis of segment information is based on the location of the accounting recognition of activities.

Income statement by segment

	31/12/2018						
(in € millions)	Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Written premiums	23,547	4,176	6,508	1,096	-	(1,793)	33,534
Change in unearned premiums	-	(112)	(9)	(90)	-	1	(210)
Earned premiums	**23,547**	**4,064**	**6,499**	**1,007**	**-**	**(1,793)**	**33,324**
Revenue or income from other activities	91	98	76	-	14	(27)	252
Investment income net of expenses	**2,390**	**91**	**(62)**	**25**	**313**	**(304)**	**2,453**
Claims expenses	**(21,948)**	**(3,077)**	**(6,243)**	**(219)**	**-**	**1,936**	**(29,551)**
Net reinsurance income or expense	**6**	**(30)**	**145**	**(27)**	**-**	**(184)**	**(90)**
Contracts acquisition costs	(674)	(611)	(232)	(663)	-	127	(2,053)
Amortization of values of business in-force and similar	-	-	-	-	-	-	-
Administrative expenses	(1,407)	(243)	(72)	(26)	-	85	(1,663)
Other current operating income and expenses	(76)	(55)	-	(6)	(52)	(164)	(353)
Other operating income and expenses	-	-	-	-	(22)	-	(22)
Operating income	**1,929**	**240**	**110**	**89**	**252**	**(324)**	**2,296**
Financing expenses	(276)	(27)	(19)	(15)	(416)	324	(429)
Income tax	(404)	(70)	(24)	(62)	37	-	(523)
Profit (loss) after-tax from discontinued operations [(1)]	-	-	(1)	-	-	-	(1)
CONSOLIDATED NET INCOME	**1,248**	**144**	**66**	**12**	**(129)**	**-**	**1,341**
Non-controlling interests	(7)	-	(4)	-	-	-	(11)
NET INCOME – GROUP SHARE	**1,242**	**144**	**62**	**12**	**(129)**	**-**	**1,331**

(1) The amount corresponds to the result of CA Life Greece.

	31/12/2017						
(in € millions)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Written premiums	21,878	3,861	4,577	1,051	-	(941)	30,426
Change in unearned premiums	-	(106)	(7)	(101)	-	1	(213)
Earned premiums	**21,878**	**3,755**	**4,570**	**950**	**-**	**(940)**	**30,213**
Revenue or income from other activities	1	75	51	1	13	(23)	119
Investment income net of expenses	**10,568**	**144**	**911**	**30**	**367**	**(322)**	**11,697**
Claims expenses	**(28,628)**	**(2,770)**	**(5,278)**	**(267)**	**-**	**1,065**	**(35,877)**
Net reinsurance income or expense	**6**	**(66)**	**120**	**(25)**	**-**	**(164)**	**(129)**
Contracts acquisition costs	(622)	(586)	(203)	(583)	-	78	(1,916)
Amortization of values of business in-force and similar	-	-	(7)	-	-	-	(7)
Administrative expenses	(1,365)	(252)	(63)	(30)	(4)	(124)	(1,838)
Other current operating income and expenses	(132)	(44)	(8)	(8)	(80)	92	(180)
Other operating income and expenses	-	-	-	-	(7)	-	(7)
Operating income	**1,707**	**256**	**94**	**69**	**289**	**(339)**	**2,076**
Financing expenses	(292)	(22)	(18)	(15)	(270)	339	(279)
Income tax	(354)	(98)	(20)	(8)	17	-	(462)
Profit (loss) after-tax from discontinued operations [1]	1	-	(9)	-	29	-	21
CONSOLIDATED NET INCOME	**1,062**	**136**	**48**	**46**	**65**	**-**	**1,356**
Non-controlling interests	-	-	(4)	-	-	-	(4)
NET INCOME- GROUP SHARE	**1,062**	**136**	**44**	**46**	**65**	**-**	**1,352**

(1) The amount includes the results of CA Life Greece.

Balance sheet by segment

	31/12/2018						
(in € millions)	Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Goodwill	486	70	37	279	-	-	872
Values of business in-force	-	-	-	-	-	-	-
Other intangible assets	140	55	22	62	15	-	294
Intangible assets	**626**	**125**	**60**	**341**	**13**	**-**	**1,165**
Investment property	6,192	82	-	5	1	-	6,280
Unit-linked investment property	-	-	-	-	-	-	-
Financial investments	267,672	4,410	13,642	808	17,342	(5,887)	297,987
Unit-linked financial investments	47,908	-	11,735	-	-	-	59,643
Derivative instruments and separated embedded derivatives	1,705	-	-	-	-	-	1,705
Investments in associates and joint ventures	3,785	-	-	-	-	-	3,785
Investments from insurance activities	**327,263**	**4,491**	**25,376**	**813**	**17,344**	**(5,887)**	**369,400**
Reinsurer's share in liabilities arising from insurance and financial contracts	**1,016**	**458**	**8,746**	**278**	**(1)**	**(8,675)**	**1,822**
Operating property and other property, plant and equipment	136	66	1	-	8	-	211
Deferred acquisition costs	1	131	49	844	-	-	1,025
Deferred participation assets	-	-	52	-	-	-	52
Deferred tax assets	9	2	48	-	-	-	59
Receivables resulting from insurance and inward reinsurance operations	1,011	1,622	15	175	-	(120)	2,703
Receivables resulting from ceded reinsurance operations	1	34	67	38	1	(2)	139
Current income tax assets	2	16	7	6	41	-	72
Other receivables	3,655	91	447	34	233	(205)	4,254
Other assets	4,815	1,964	684	1,096	283	(329)	8,513
Assets held for sale including discontinued operations [1]	**-**	**-**	**257**	**-**	**-**	**-**	**257**
Cash and cash equivalents	**237**	**42**	**629**	**51**	**405**	**1**	**1,365**
TOTAL ASSETS	**333,958**	**7,082**	**35,751**	**2,578**	**18,043**	**(14,890)**	**382,523**

(1) The amount corresponds to the assets of CA Life Greece.

(in € millions)	31/12/2018						
	Life France	Non-life France	International	Creditor Insurance	Other	Intragroup	Total
Provisions	**51**	**25**	**2**	**-**	**65**	**-**	**143**
Subordinated debts	4,833	606	369	235	4,074	(5,605)	4,512
Debt to banking establishments	1,174	-	-	20	1,015	(230)	1,979
Financing debt	**6,007**	**606**	**369**	**255**	**5,089**	**(5,835)**	**6,491**
Technical liabilities on insurance contracts	146,318	5,395	9,105	1,856	-	(107)	162,567
Technical liabilities on unit-linked insurance contracts	44,403	-	10,355	-	-	-	54,758
Technical liabilities on insurance contracts	**190,721**	**5,395**	**19,459**	**1,856**	**-**	**(107)**	**217,324**
Technical liabilities on financial contracts with discretionary participation features	80,543	-	13,818	-	-	(8,568)	85,793
Technical liabilities on financial contracts without discretionary participation features	-	-	29	-	-	-	29
Technical liabilities on unit-linked financial contracts	3,707	-	1,456	-	-	-	5,163
Technical liabilities on financial contracts	**84,251**	**-**	**15,303**	**-**	**-**	**(8,569)**	**90,985**
Deferred participation reserve	**16,244**	**-**	**(1)**	**-**	**-**	**-**	**16,243**
Technical liabilities	**291,216**	**5,395**	**34,761**	**1,856**	**-**	**(8,675)**	**324,553**
Deferred tax liabilities	125	10	2	6	11	-	154
Liabilities towards holders of units in consolidated mutual funds	6,558	-	-	-	-	-	6,558
Operating debt to banking establishments	244	25	-	-	583	-	851
Debts arising from insurance or inward reinsurance operations	1,702	529	126	191	-	(33)	2,515
Debts arising from ceded reinsurance operations	1,056	72	186	163	-	(88)	1,389
Current income tax liabilities	39	3	9	3	-	-	54
Derivative instrument liabilities	-	-	18	-	-	-	18
Other debts	23,968	257	187	128	286	(258)	24,568
Other liabilities	**33,694**	**895**	**527**	**492**	**881**	**(380)**	**36,109**
Liabilities held for sale including discontinued operations [1]	**-**	**-**	**229**	**-**	**-**	**-**	**229**
TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY	**330,968**	**6,922**	**35,889**	**2,602**	**6,033**	**(14,890)**	**367,524**

(1) The amount corresponds to the liabilities of CA Life Greece.

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	31/12/2017						
(in € millions)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Goodwill	486	70	37	279	-	-	872
Values of business in-force	-	-	-	-	-	-	-
Other intangible assets	131	50	16	53	14	-	264
Intangible assets	**617**	**120**	**53**	**332**	**14**	**-**	**1,136**
Investment property	6,016	82	-	5	-	-	6,103
Unit-linked investment property	-	-	-	-	-	-	-
Financial investments	264,395	4,120	13,107	729	17,520	(6,112)	293,759
Unit-linked financial investments	49,385	-	10,250	-	-	-	59,635
Derivative instruments and separated embedded derivatives	1,688	-	1	-	-	-	1,689
Investments in associates	2,864	-	-	-	-	-	2,864
Investments from insurance activities	**324,348**	**4,202**	**23,358**	**734**	**17,520**	**(6,112)**	**364,050**
Reinsurer's share in liabilities arising from insurance and financial contracts	**919**	**398**	**7,285**	**276**	**-**	**(7,227)**	**1,651**
Operating property and other property, plant and equipment	139	69	-	-	8	-	216
Deferred acquisition costs	1	121	36	813	-	-	971
Deferred participation assets	-	-	-	-	-	-	-
Deferred tax assets	6	-	39	-	-	-	45
Receivables resulting from insurance and inward reinsurance operations	487	1,500	7	132	-	(44)	2,082
Receivables resulting from ceded reinsurance operations	-	5	54	26	-	(1)	84
Current income tax assets	240	14	1	5	2	-	262
Other receivables	3,757	81	455	32	164	(141)	4,348
Other assets	**4,630**	**1,790**	**592**	**1,008**	**174**	**(186)**	**8,008**
Assets held for sale including discontinued operations [1]	**-**	**-**	**265**	**-**	**-**	**-**	**265**
Cash and cash equivalents	**982**	**157**	**555**	**44**	**160**	**-**	**1,898**
TOTAL ASSETS	**331,496**	**6,667**	**32,108**	**2,394**	**17,868**	**(13,525)**	**377,008**

(1) The amount includes the assets of CA Life Greece.

	31/12/2017						
(in € millions)	**Life France**	**Non-life France**	**International**	**Creditor Insurance**	**Other**	**Intragroup**	**Total**
Provisions	**63**	**31**	**6**	**-**	**62**	**-**	**162**
Subordinated debts	5,434	506	339	214	4,416	(6,055)	4,854
Debt to banking establishments	1,177	-	-	20	796	(20)	1,973
Financing debt	**6,611**	**506**	**339**	**234**	**5,212**	**(6,075)**	**6,827**
Technical liabilities on insurance contracts	128,639	4,893	7,550	1,770	-	(113)	142,739
Technical liabilities on unit-linked insurance contracts	41,151	-	8,947	-	-	-	50,098
Technical liabilities on insurance contracts	**169,790**	**4,893**	**16,497**	**1,770**	**-**	**(113)**	**192,837**
Technical liabilities on financial contracts with discretionary participation features	91,578	-	12,789	-	-	(7,114)	97,253
Technical liabilities on financial contracts without discretionary participation features	-	-	41	-	-	-	41
Technical liabilities on unit-linked financial contracts	8,212	-	1,353	-	-	-	9,565
Technical liabilities on financial contracts	**99,790**	**-**	**14,183**	**-**	**-**	**(7,114)**	**106,859**
Deferred participation reserve	**20,978**	**-**	**500**	**-**	**-**	**-**	**21,478**
Technical liabilities	**290,558**	**4,893**	**31,180**	**1,770**	**-**	**(7,227)**	**321,174**
Deferred tax liabilities	341	48	4	9	18	-	420
Liabilities towards holders of units in consolidated mutual funds	6,037	-	-	-	-	-	6,037
Operating debt to banking establishments	190	14	-	-	81	-	285
Debts arising from insurance and inward reinsurance operations	1,238	585	161	157	-	(29)	2,112
Debts arising from ceded reinsurance operations	950	96	95	143	-	(17)	1,267
Current income tax liabilities	3	3	13	1	-	-	20
Derivative instrument liabilities	23	-	14	-	-	-	37
Other debts	21,945	239	188	64	246	(179)	22,503
Other liabilities	**30,727**	**985**	**475**	**374**	**345**	**(225)**	**32,681**
Liabilities held for sale including discontinued operations [1]	**-**	**-**	**231**	**-**	**-**	**-**	**231**
TOTAL LIABILITIES EXCEPT SHAREHOLDER'S EQUITY	**327,959**	**6,415**	**32,231**	**2,378**	**5,619**	**(13,527)**	**361,075**

(1) The amount includes the liabilities of CA Life Greece.

NOTE 6 Notes to the balance sheet

6.1 Goodwill

(in € millions)	31/12/2017	01/01/2018	Increase	Decrease	Loss of value	Foreign exchange differences	Other changes	31/12/2018
Gross amount								
Life – France	486	486	-	-	-	-	-	486
Non-life – France	70	70	-	-	-	-	-	70
International	36	36	-	-	-	-	-	36
Creditor Insurance	409	409	-	-	-	-	-	409
Other	-	-	-	-	-	-	-	-
TOTAL	**1,001**	**1,001**	**-**	**-**	**-**	**-**	**-**	**1,001**
Loss of value								
Life – France	-	-	-	-	-	-	-	-
Non-life – France	-	-	-	-	-	-	-	-
International	-	-	-	-	-	-	-	-
Creditor Insurance	(129)	(129)	-	-	-	-	-	(129)
Other	-	-	-	-	-	-	-	-
TOTAL	**(129)**	**(129)**	**-**	**-**	**-**	**-**	**-**	**(129)**
Net value								
Life – France	486	486	-	-	-	-	-	486
Non-life – France	70	70	-	-	-	-	-	70
International	36	36	-	-	-	-	-	36
Creditor Insurance	280	280	-	-	-	-	-	280
Other	-	-	-	-	-	-	-	-
TOTAL	**872**	**872**	**-**	**-**	**-**	**-**	**-**	**872**

Impairment tests were carried out on goodwill at 1 January 2018, based on the assessment of the value in use of the CAA Group's insurance entities. Value in use was determined by discounting the CGU's future cash flows as presented in the medium-term plans drawn up for the Group's steering requirements. The following assumptions were drawn upon:

- estimated future cash flows: preliminary 3/5-year data established under the Group's medium-term plan;
- the equity capital allocated to the various activities at 31 December 2018 is equal to 100% of the solvency margin for the insurance activities including the economic position in terms of subordinated debts of each entity;
- growth rate: 2%;
- discount rate: interest rates by geographical area are between 7.8% and 12.32%.

At 31 December 2018, goodwill items continued to be justified.

In addition, sensitivity testing carried out shows that a +50 basis point change in discount rates would not result in any significant impairment.

6.2 Values of business in-force and other intangible assets

(in € millions)	31/12/2017	01/01/2018	Change in scope	Acquisitions/ Depreciation	Disposals/ Decreases	Foreign exchange differences	Other changes	31/12/2018
Values of business in-force	39	39	-	-	-	-	-	39
Software programs	265	265	-	13	(1)	1	33	311
Intangible assets in progress	583	583	-	104	(52)	-	(33)	602
Gross amount	**887**	**887**	**-**	**118**	**(55)**	**1**	**1**	**953**
Impairment on distribution right	-	-	-	-	-	-	-	-
Amortization of values of business in-force	(39)	(39)	-	-	-	-	-	(39)
Amortization of software programs	(218)	(218)	-	(22)	-	(1)	-	(241)
Impairment of software programs	(2)	(2)	-	(2)	-	-	-	(4)
Amortization Intangible assets in progress	(364)	(364)	-	(61)	49	-	-	(376)
Impairment Intangible assets in progress	-	-	-	-	(1)	-	-	-
Amortization & impairment	**(623)**	**(623)**	**-**	**(84)**	**49**	**(1)**	**-**	**(659)**
OTHER NET INTANGIBLE ASSETS	**264**	**264**	**-**	**34**	**(5)**	**-**	**-**	**294**

(in € millions)	31/12/2016	Change in scope	Acquisitions/ Depreciation	Disposals/ Decreases	Foreign exchange differences	Other changes	31/12/2017
Values of business in-force	39	-	-	(1)	-	1	39
Software programs	272	-	10	(25)	(1)	9	265
Intangible assets in progress	490	(1)	104	(2)	-	(9)	583
Gross amount	**801**	**(1)**	**114**	**(28)**	**(1)**	**1**	**887**
Impairment on distribution right	-	-	-	-	-	-	-
Amortization of values of business in-force	(32)	-	(7)	1	-	(1)	(39)
Amortization of software programs	(225)	-	(21)	27	1	-	(218)
Impairment of software programs	(1)	-	(1)	-	-	-	(2)
Amortization Intangible assets in progress	(267)	1	(98)	1	-	-	(364)
Impairment Intangible assets in progress	(1)	-	-	1	-	-	-
Amortization & impairment	**(526)**	**1**	**(127)**	**30**	**1**	**(1)**	**(623)**
OTHER NET INTANGIBLE ASSETS	**275**	**-**	**(13)**	**2**	**-**	**-**	**264**

6.3 Investment property

6.3.1 INVESTMENT PROPERTY (EXCLUDING UNIT-LINKED CONTRACTS)

(in € millions)	31/12/2017	01/01/2018	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2018
Gross amount	6,126	6,126	153	488	(518)	-	55	6,304
Depreciation, amortization and impairment	(23)	(23)	-	(1)	-	-	-	(24)
NET VALUE OF INVESTMENT PROPERTY	**6,103**	**6,103**	**153**	**487**	**(518)**	**-**	**55**	**6,280**

(in € millions)	31/12/2016	Changes in scope	Increases (acquisitions)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2017
Gross amount	5,561	-	1,482	(1,112)	-	195	6,126
Depreciation, amortization and impairment	(22)	-	(1)	-	-	-	(23)
NET VALUE OF INVESTMENT PROPERTY	**5,539**	**-**	**1,481**	**(1,112)**	**-**	**195**	**6,103**

6.3.2 FAIR VALUE OF INVESTMENT PROPERTY

(in € millions)	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 non- observable data: level 3	Carrying amount at 31/12/2018
Investment property	9,126	-	9,126	-	6,280
TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED	**9,126**	**-**	**9,126**	**-**	**6,280**

(in € millions)	Estimated fair value at 31/12/2017	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on non- observable data: level 3	Carrying amount at 31/12/2017
Investment property	8,676	-	8,676	-	6,103
TOTAL INVESTMENT PROPERTY WHOSE FAIR VALUE IS DISCLOSED	**8,676**	**-**	**8,676**	**-**	**6,103**

6.4 Investments from insurance activities

(in € millions)	31/12/2018
Financial investment	**297,987**
Financial assets at fair value through profit and loss	82,900
Financial assets held to trading	-
Other financial assets at fair-value thrugh profit and loss	*82,900*
Financial assets at fair-value through equity	214,260
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	*214,109*
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	*151*
Financial assets at amortized cost	828
Loans and receivables	*491*
Debt securities	*337*
Investment property	**6,280**
Derivative instruments	**1,705**
Unit-linked financial investments	**59,643**
Unit-linked investment property	**-**
Investment in associates	**3,785**
TOTAL INSURANCE ACTIVITY INVESTMENTS	**369,400**

INVESTMENTS FROM INSURANCE ACTIVITIES AT 31/12/2017

(in € millions)	**31/12/2017**
Equities and other variable income securities	26,167
Bonds and other fixed-income securities	207,586
Available-for-sale assets	**233,753**
Bonds and other fixed-income securities	10,805
Held-to-maturity assets	**10,805**
Equities and other variable income securities	15,729
Bonds and other fixed-income securities	30,764
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	**46,493**
Loans and receivables	**2,707**
Financial investments	**293,759**
Investment property (1)	6,103
Derivative instruments	1,689
Investments by the general fund (A)	**301,551**
Unit-linked financial investments	59,635
Unit-linked investment property (1)	-
Total unit-linked investments (B)	**59,635**
Investments in associates and joint ventures	2,864
Investments in associates and joint ventures (C)	**2,864**
TOTAL INVESTMENTS (A) + (B) + (C)	**364,050**

6.4.1 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

(in € millions)	31/12/2018
Financial assets held for trading	**-**
Other financial assets at fair value through profit or loss	**142,542**
Equity instruments	25,463
Debt instruments that do not meet the conditions of the "SPPI" test	57,437
Assets representing unit-linked contracts	59,643
Financial assets designated at fair value through profit or loss	-
BALANCE SHEET VALUE	**142,542**

6.4.1.1 Equity instruments at fair value through profit or loss

(in € millions)	31/12/2018
Equity and other variable income securities	17,730
Non-consolidated equity investments	7,733
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS	**25,463**

6.4.1.2 Debt instruments that do not meet the conditions of the "SPPI" test

(in € millions)	31/12/2018
Debt securities	**54,745**
Tresury bills and similar securities	156
Bonds and other fixed income securities	12,525
Mutual funds	42,065
Loans and receivables	**2,692**
TOTAL DEBT INSTRUMENTS THAT DO NOT MEET THE CONDITIONS OF THE "SPPI" TEST	**57,437**

6.4.1.3 Representative assets in unit-linked contracts

(in € millions)	31/12/2018	31/12/2017
Treasury bills and similar securities	988	191
Bonds and other fixed income securities	12,213	12,080
Equities and other variable income securities	5,161	37,564
Mutual funds	41,281	9,800
TOTAL REPRESENTATIVE ASSETS IN UNIT-LINKED CONTRACTS	**59,643**	**59,635**

6.4.2 FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	31/12/2018		
(in € millions)	Carrying amount	Unrealised gains	Unrealised losses
Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	214,109	14,615	(742)
Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss	151	3	(20)
TOTAL FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME	**214,260**	**14,618**	**(763)**

6.4.2.1 Debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss

	31/12/2018		
(in € millions)	Carrying amount	Unrealised gains	Unrealised losses
Treasury bills ans similar securities	61,593	4,412	(171)
Bonds and other fixed income securities	152,516	10,203	(572)
Total Debt securities	**214,109**	**14,615**	**(742)**
TOTAL DEBT INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS	**214,109**	**14,615**	**(742)**
Income tax charge		(3,839)	198
Other comprehensive income on debt instruments that will not be reclassified to profit or loss (net of income tax)		10,776	(544)

6.4.2.2 Equity instruments at fair value through other comprehensive income that will not be reclassified to profit or loss

INVESTMENTS IN EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS

	31/12/2018			
(in € millions)	Carrying amount	Unrealised gains	Unrealised losses	Unrealised gains/ losses during the period
Equities and other variable income securities	-	-	-	-
Non-consolidated equity investments	151	3	(20)	(13)
TOTAL EQUITY INSTRUMENTS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS	**151**	**3**	**(20)**	**(13)**
Income tax charge		(2)	6	3
Other comprehensive income on equity instruments that will not be reclassified to profit or loss (net of income tax)		1	(15)	(9)

6.4.3 FINANCIAL ASSETS AT AMORTISED COST

(in € millions)	31/12/2018
Loans and receivables due from credit institutions	491
Debt securities	337
TOTAL FINANCIAL ASSETS AT AMORTISED COST	**828**

6.4.3.1 Debt securities

(in € millions)	31/12/2018
Treasury bills ans similar securities	-
Bonds and other fixed income securities	337
Total	**337**
Impairment	-
CARRYING AMOUNT	**337**

6.5 Fair value of financial instruments

Fair value is the price that would be received for selling an asset or paid for the transfer of a liability during a normal transaction between market participants at measurement date. Fair value is defined on the basis of an exit price. The fair values shown below are estimates made on the reporting date using observable market data wherever possible. They are therefore likely to change in subsequent periods due to developments affecting market conditions or other factors. The amounts presented are the best estimate possible. It is based on a number of valuation models and assumptions. It is supposed that market participants act in their best economic interests. 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 instruments is broken down according to the general observability criteria of the valuation inputs, pursuant to the principles defined under IFRS 13:

- Level 1: fair value corresponding to quoted prices (unadjusted) in active markets.
- Level 2: fair value measured from directly or indirectly observable data other than those included in Level 1.
- Level 3: fair value determined with a significant number of parameters that do not meet the observability criteria.

The characteristics of these levels of fair value are described in detail in the paragraph on the determination of the fair value of financial instruments of note 1.

6.5.1 FINANCIAL ASSETS AND LIABILITIES AT AMORTISED COST AND MEASURED AT FAIR VALUE ON THE BALANCE SHEET

FINANCIAL ASSETS AT FAIR VALUE

(in € millions)	Book Value 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	**3,470**	**3,415**	**-**	**3,099**	**317**
Accounts and long-term loans	38	38	-	35	2
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	2,979	2,971	-	2,971	-
Subordinated notes	-	-	-	-	-
Other loans and receivables	453	406	-	92	315
Debt securities	**337**	**337**	**337**	**-**	**-**
Treasury bills and similar securities	-	-	-	-	-
Bonds and other fixed income securities	337	337	337	-	-
TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED	**3,806**	**3,753**	**337**	**3,099**	**317**

(in € millions)	Book Value 31/12/2017	Estimated fair value at 31/12/2017	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Loans and receivables	**5,728**	**5,726**	**-**	**5,398**	**328**
Accounts and term deposits	53	53	-	51	2
Pledged securities	-	-	-	-	-
Securities bought under repurchase agreements	3,021	3,021	-	3,021	-
Subordinated notes	-	-	-	-	-
Other loans	2,648	2,646	-	2,320	326
Other loans and receivables	6	6	-	6	-
Cash and cash equivalents	**1,898**	**1,898**	**-**	**1,898**	**-**
Cash and cash equivalents	1,898	1,898	-	1,898	-
Held-to-maturity financial assets	**10,805**	**13,047**	**13,047**	**-**	**-**
Treasury bills and similar securities	7,736	9,245	9,245	-	-
Bonds and other fixed income securities	3,069	3,803	3,803	-	-
TOTAL FINANCIAL ASSETS WHOSE FAIR VALUE IS DISCLOSED	**18,431**	**20,671**	**13,047**	**7,296**	**328**

FINANCIAL LIABILITIES AT FAIR VALUE

(in € millions)	Book Value 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					
Financing debt	**6,491**	**6,442**	**-**	**3,321**	**3,121**
Debts of financing towards companies of the banking sector	1,979	1,977	-	1,174	803
Subordinated debt	4,512	4,466	-	2,147	2,318
Other debt	**18,181**	**18,181**	**-**	**18,181**	**-**
Operating debt owed to banking sector companies	-	-	-	-	-
Values given in pension	18,181	18,181	-	18,181	-
Securities given under repurchase agreements	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED	**24,672**	**24,623**	**-**	**21,502**	**3,121**

(in € millions)	Book Value 31/12/2017	Estimated fair value at 31/12/2017	Quoted prices in active markets for identical instruments: level 1	Valuation based on observable data: level 2	Valuation based on unobservable data: level 3
Financing debt	**6,827**	**6,801**	**-**	**5,199**	**1,602**
Financing debt owed to banking sector companies	1,973	1,972	-	795	1,177
Subordinated debt	4,854	4,829	-	4,404	425
Other financing debt	**16,849**	**16,849**	**-**	**16,849**	**-**
Securities given under repurchase agreements	16,849	16,849	-	16,849	-
Operating debt owed to banking sector companies	285	285	-	285	-
TOTAL FINANCIAL LIABILITIES WHOSE FAIR VALUE IS DISCLOSED	**23,961**	**23,935**	**-**	**22,333**	**1,602**

6.5.2 INFORMATIONS ON THE ESTIMATED FINANCIAL INSTRUMENTS AT FAIR VALUE

6.5.2.1 Breakdown of financial instruments at fair value by valuation model

(in € millions)	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 held for trading	**-**	**-**	**-**	**-**
Other financial instruments at fair value through profit or loss				
Equity instruments at fair value through profit or loss	**25,463**	**19,016**	**4,151**	**2,296**
Shares and other variable income securities	17,730	16,723	969	38
Non-consolidated equity investments	7,733	2,293	3,182	2,258
Debt instruments that do not meet SPPI criteria	**57,437**	**33,634**	**19,744**	**4,059**
Loans and receivables	2,692	-	2,692	-
Debt securities	54,745	33,633	17,053	4,059
Public bills and similar securities	156	73	83	-
Bonds and other fixed income securities	12,525	1,741	10,043	741
Mutual funds	42,065	31,820	6,927	3,318
Assets representing unit-linked contracts	**59,643**	**37,221**	**22,418**	**4**
Public bills and similar securities	988	975	13	-
Bonds and other fixed income securities	12,213	1,150	11,063	-
Shares and other variable income securities	5,161	1,167	3,994	-
Mutual funds	41,281	33,930	7,347	4
Financial assets at fair value through option result	**-**	**-**	**-**	**-**
Loans and receivables	-	-	-	-
Fair value securities by option result	-	-	-	-
Public bills and similar securities	-	-	-	-
Bonds and other fixed income securities	-	-	-	-
Financial assets at fair value through equity	**214,260**	**193,225**	**21,035**	**-**
Equity instruments recognized at fair value through non-recyclable equity	151	26	125	-
Shares and other variable income securities	-	-	-	-
Non-consolidated equity investments	151	26	125	-
Debt instruments recognized at fair value through recyclable equity	214,109	193,200	20,909	-
Debt securities	214,109	193,200	20,909	-
Public bills and similar securities	61,593	61,584	9	-
Bonds and other fixed income securities	152,517	131,617	20,900	-
Derivatives hedging	**1,705**	**-**	**1,705**	**-**
TOTAL FINANCIAL ASSETS VALOR AT THE RIGHT VALUE	**358,509**	**283,096**	**69,052**	**6,361**
Transfers from Level 1: Quoted prices in active markets for identical instruments			-	-
Transfers from Level 2: Valuation based on observable data		224		702
Transfers from Level 3: Valuation based on unobservable data		-	6	
TOTAL TRANSFERS TO EACH LEVEL		**224**	**6**	**702**

	31/12/2017			
(in € millions)	**Quoted prices in active markets for identical instruments: level 1**	**Valuation based on observable data: level 2**	**Valuation based on unobservable data: level 3**	**Total**
Available-for-sale assets	**193,861**	**38,804**	**1,089**	**233,753**
Equities and other variable income securities	18,423	6,888	856	26,167
Bonds and other fixed income securities	175,438	31,915	233	207,586
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value (excluding unit-linked contracts)	**36,125**	**6,611**	**3,757**	**46,493**
Equities and other variable income securities	9,092	2,947	3,690	15,729
Bonds and other fixed-income securities	27,034	3,663	67	30,764
Financial assets designated at fair value through profit or loss on unit-linked contracts	**38,917**	**20,712**	**6**	**59,635**
Equities and other variable income securities	29,206	8,356	2	37,564
Bonds and other fixed-income securities	9,711	12,356	4	22,071
Investment property	-	-	-	-
Derivative instruments	**-**	**1,666**	**(13)**	**1,653**
TOTAL ASSETS MEASURED AT FAIR VALUE	**268,903**	**67,793**	**4,839**	**341,535**
Transfers from level 1	-	-	-	-
Transfers from level 2	-	-	-	-
Transfers from level 3	5	-	-	5
TOTAL TRANSFERS TO EACH LEVEL	**5**	**-**	**-**	**5**

6.5.2.2 Net change in financial instruments measured at fair value according to level 3

		Other financial instruments at fair value through profit or loss					
		Equity instruments at fair value through profit or loss		Debt instruments that do not meet the conditions of the "SPPI" test			
				Debt securities			
(in € millions)	Total financial assets valuated at fair value according to the level 3	Equities and other variable income securities	Non-consolidated equity investments	Loans and receivables	Treasury bills and similar securities	Bonds and other fixed income securities	Mutual funds
OPENING BALANCE AT 1 JANUARY 2018	**4,853**	**553**	**714**	**-**	**-**	**284**	**3,280**
Gains or losses during the period [1]	158	4	119	-	-	-	40
Recognised in profit or loss	158	4	119	-	-	-	40
Recognised in other comprehensive income	-	-	-	-	-	-	-
Purchases	1,688	5	473	-	-	458	746
Sales	(1,034)	-	(266)	-	-	(2)	(748)
Issues	-	-	-	-	-	-	-
Settlements	-	-	-	-	-	-	-
Reclassifications	-	(550)	550	-	-	-	-
Changes associated with scope during the period	-	-	-	-	-	-	-
Transfers	696	26	670	-	-	-	-
Transfers to Level 3	702	26	675	-	-	-	-
Transfers from Level 3	(6)	-	(6)	-	-	-	-
CLOSING BALANCE 31 DECEMBER 2018	**6,361**	**38**	**2,259**	**-**	**-**	**740**	**3,318**

(1) this balance includes the gains and losses of the period issued from the assets held on the balance sheet at closing date for the following amounts:

Gains/losses for the period from level 3 assets held at the end of the period	**158**
Recognised in profit or loss	158
Recognised in other comprehensive income	-

Other financial instruments at fair value through profit or loss				Financial assets at fair value through other comprehensive income				
Assets backing unit-linked contracts				Equity instruments at fair value through other comprehensive income that will not be reclassified to profit orand loss		Debt instruments at fair value through other comprehensive income that may be reclassified to profit orand loss		
						Debt securities		
Treasury bills and similar securities	Bonds and other fixed income securities	Equities and other variable income securities	Mutual funds	Equities and other variable income securities	Non-consolidated equity investments	Treasury bills and similar securities	Bonds and other fixed income securities	Derivative instruments
-	**4**	**-**	**2**	**-**	**-**	**-**	**17**	**1**
-	(4)	-	-	-	-	-	-	(2)
-	(4)	-	-	-	-	-	-	(2)
-	-	-	-	-	-	-	-	-
-	-	-	4	-	-	-	-	-
-	-	-	(3)	-	-	-	(17)	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	**-**	**-**	**4**	**-**	**-**	**-**	**-**	**-**

6

6.6 Breakdown of financial assets and liabilities by contractual maturity

(in € millions)	31/12/2018					
	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Financial investments	**2,431**	**9,156**	**81,279**	**134,958**	**70,163**	**297,987**
Financial assets at fair value through profit and loss	249	562	5,824	7,111	69,154	82,900
Financial assets at fair-value through equity	2,179	8,560	75,455	127,511	555	214,260
Financial assets at amortized cost	3	34	-	337	454	828
Unit-linked financial investments	**415**	**926**	**2,481**	**7,444**	**48,377**	**59,643**
Derivative instruments and separated embedded derivatives	**-**	**84**	**139**	**1,482**	**-**	**1,705**
Cash and cash equivalents	**1,158**	**-**	**-**	**-**	**207**	**1,365**
TOTAL FINANCIAL ASSETS BY MATURITY	**4,004**	**10,166**	**83,899**	**143,884**	**118,747**	**360,700**

(in € millions)	31/12/2017			
	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Available-for-sale assets	8,933	66,664	131,989	207,586
Held-to-maturity assets	909	2,778	7,118	10,805
Financial assets at fair value through profit or loss classified as held-for-trading or designated at fair value through profit or loss	1,368	1,035	28,362	30,765
TOTAL BOND PORTFOLIO (EXCLUDING UNIT-LINKED CONTRACTS)	**11,210**	**70,477**	**167,469**	**249,156**

6.7 Credit risk

Loss allowances correspond to the impairment of assets and to provisions for off-balance sheet commitments recognised in net income (Investment income net of expenses) relating to credit risk.

The different stages of impairment ("Performing assets - Bucket 1 & Bucket 2" and "Impaired assets - Bucket 3) are presented in note 1 "Accounting principles and policies applied", chapter "Credit risk and impairment stages".

The following tables present a reconciliation of the opening and closing balances of loss allowances recognised in net income and associated carrying amounts, by accounting category and type of instrument.

6.7.1 CHANGE IN CARRYING AMOUNTS AND LOSS ALLOWANCES DURING THE PERIOD

FINANCIAL ASSETS AT AMORTISED COST: LOANS AND RECEIVABLES

	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)	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 1 JANUARY 2018	**559**	**(1)**	**-**	**-**	**-**	**-**	**559**	**(1)**	**558**
Transfer between *buckets* during the period	-	-	-	-	-	-	-	-	
Transfer from 12-month ECL (Bucket 1) to lifetime ECL (Bucket 2)	-	-	-	-			-	-	
Return to lifetime ECL (Bucket 2) from 12-month ECL (Bucket 1)	-	-	-	-			-	-	
Transfer to lifetime ECL impaired (Bucket 3)	-	-	-	-	-	-	-	-	
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-	
Total after transfer	**559**	**(1)**	**-**	**-**	**-**	**-**	**559**	**(1)**	**558**
Changes in gross carrying amounts and loss allowances	(64)	1	-	-	-	-	(64)	1	
New production: purchase, granting, origination...	2	-	-	-			2	-	
Derecognition: disposal, repayment, maturity	(66)	-	-	-	-	-	(66)	-	
Write-off					-	-	-	-	
Changes of cash flows that do not result in a derecognition	-	-	-	-	-	-	-	-	
Changes in credit risk parameters during the period		1		-		-		1	
Changes in model/methodology		-		-		-		-	
Changes in scope	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	
TOTAL	**496**	**-**	**-**	**-**	**-**	**-**	**496**	**-**	**496**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance)	(5)		-		-		(5)		
BALANCE AT 31 DECEMBER 2018	**491**	**-**	**-**	**-**	**-**	**-**	**491**	**-**	**491**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-		

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)	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance	Carrying amount	Loss allowance
BALANCE AT 1 JANUARY 2018	**206,886**	**(82)**	**3,098**	**(38)**	**1**	**(1)**	**209,984**	**(121)**
Transfer between *buckets* during the period	**659**	**(1)**	**(659)**	**4**	**-**	**-**	**-**	**3**
Transfer from 12-month ECL (Bucket 1) to lifetime ECL (Bucket 2)	(2)	-	2	-			-	-
Return to lifetime ECL (Bucket 2) from 12-month ECL (Bucket 1)	661	(1)	(661)	4			-	3
Transfer to lifetime ECL impaired (Bucket 3)	-	-	-	-	-	-	-	-
Return from lifetime ECL impaired (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-
Total after transfer	**207,545**	**(83)**	**2,439**	**(33)**	**1**	**(1)**	**209,984**	**(117)**
Changes in gross carrying amounts and loss allowances	**4,619**	**(10)**	**(257)**	**11**	**-**	**-**	**4,362**	**1**
Fair value revaluation during the period	(4,138)		(90)		-		(4,229)	
New financial assets: acquisition, granting, origination...	20,567	(14)	150	(6)			20,717	(20)
Derecognition: disposal, repayment, maturity	(11,829)	9	(306)	4	-	-	(12,135)	13
Write-off					-	-	-	-
Changes of cash flows that do not result in a derecognition	-	(1)	-	15	-	-	-	15
Changes in credit risk parameters during the period		(4)		(2)		-		(6)
Changes in model/methodology		-		-		-		-
Changes in scope	-	-	-	-	-	-	-	-
Other	19	-	(11)	-	-	-	9	-
TOTAL	**212,164**	**(93)**	**2,182**	**(22)**	**1**	**(1)**	**214,346**	**(116)**
Changes in carrying amount due to specific accounting assessment methods (with no significant impact on loss allowance) [1]	(128)		4		-		(122)	
BALANCE AT 31 DECEMBER 2018	**212,037**	**(93)**	**2,187**	**(22)**	**1**	**(1)**	**214,224**	**(116)**
Contractual amount outstanding of financial assets written off during the period, that are still subject to enforcement measures	-		-		-		-	

(1) Includes impacts relating to the use of the TIE method (including depreciation of premiums/haircuts)

6

GARANTEE COMMITMENTS (EXCLUDING CREDIT AGRICOLE INTERNAL OPERATIONS)

	Performing commitments				Impaired commitments (Bucket 3)		Total		
	Commitments subject to 12-month ECL (Bucket 1)		Commitments subject to lifetime ECL (Bucket 2)						
(in € millions)	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 1 JANUARY 2018	**160**	**-**	**-**	**-**	**-**	**-**	**160**	**-**	**-**
Transfer between buckets during the period	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Transfer from 12-month ECL (Bucket 1) to lifetime ECL (Bucket 2)	-	-	-	-			-	-	
Return to lifetime ECL (Bucket 2) from 12-month ECL (Bucket 1)	-	-	-	-			-	-	
Transfer to lifetime ECL provisioned (Bucket 3)	-	-	-	-	-	-	-	-	
Return from lifetime ECL provisioned (Bucket 3) to lifetime ECL (Bucket 2)/ 12-month ECL (Bucket 1)	-	-	-	-	-	-	-	-	
Total after transfer	**160**	**-**	**-**	**-**	**-**	**-**	**160**	**-**	**160**
Changes in commitments and loss allowances	**(18)**	**-**	**-**	**-**	**-**	**-**	**(18)**	**-**	
New commitments given	-	-	-	-			-	-	
End of commitments	-	-	-	-	-	-	-	-	
Write-off					-	-	-	-	
Changes of cash flows that do not result in a derecognition	-	-	-	-	-	-	-	-	
Changes in credit risk parameters during the period		-		-		-		-	
Changes in model/ methodology		-		-		-		-	
Other	(18)	-	-	-	-	-	(18)	-	
BALANCE AT 31 DECEMBER 2018	**142**	**-**	**-**	**-**	**-**	**-**	**142**	**-**	**142**

PROVISIONS FOR IMPAIRMENT OF FINANCIAL ASSETS AT 31/12/2017

(in € millions)	31/12/2016	Change in scope	Depreciation charges	Reversals, amounts used	Foreign exchange differences	Other movements	31/12/2017
Impairment of held-to-maturity securities	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Impairment of equities and other variable income securities	(756)	-	(53)	169	-	-	(640)
Impairment of bonds and other fixed income securities	(2)	-	-	-	-	-	(2)
Impairment of available-for-sale assets	**(758)**	**-**	**(53)**	**169**	**-**	**-**	**(642)**
Impairment of investment property (amortised cost)	-	-	-	-	-	-	-
Impairment of loans and receivables	-	-	-	-	-	-	-
Impairment of other financial assets	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL IMPAIRMENT	**(758)**	**-**	**(53)**	**169**	**-**	**-**	**(642)**

6.7.2 MAXIMAL EXPOSURE TO CREDIT RISK AND EFFECTS OF ASSETS HELD IN GUARANTEE AND OTHER CREDIT ENHANCEMENTS

FINANCIAL ASSETS NOT SUBJECT TO IMPAIRMENT REQUIREMENTS (ACCOUNTED AT FAIR VALUE THROUGH PROFIT OR LOSS)

	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in € millions)	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through profit or loss (excluding equity securities and assets backing unit-linked contracts)	**57,437**	**-**	**-**	**-**	**-**	**-**
Financial assets held for trading	-	-	-	-	-	-
Debt instruments that do not meet the conditions of the "SPPI" test	57,437	-	-	-	-	-
Financial assets designated at fair value through profit or loss	-	-	-	-	-	-
Hedging derivative Instruments	**1,072**	**-**	**-**	**-**	**-**	**-**
TOTAL	**58,509**	**-**	**-**	**-**	**-**	**-**

FINANCIAL ASSETS SUBJECT TO IMPAIRMENT REQUIREMENTS

	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in € millions)	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Financial assets at fair value through other comprehensive income that may be reclassified to profit orand loss	**214,109**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	2,165	-	-	-	-	-
Financial assets at amortised cost	**828**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	-	-	-	-	-	-
Loans and receivables	491	-	-	-	-	-
of which impaired assets at the reporting date	-	-	-	-	-	-
Debt securities	337	-	-	-	-	-
of which impaired assets at the reporting date	-	-	-	-	-	-
TOTAL	**214,937**	**-**	**-**	**-**	**-**	**-**
of which impaired assets at the reporting date	**2,165**	**-**	**-**	**-**	**-**	**-**

OFF-BALANCE SHEET COMMITMENTS SUBJECT TO PROVISION REQUIREMENTS

	31/12/2018					
		Credit risk mitigation				
		Collateral held as security			Other credit enhancement	
(in € millions)	Maximum exposure to credit risk	Financial instruments provided as collateral	Mortgages	Pledged securities	Guarantees	Credit derivatives
Guarantee commitments	**142**	**-**	**-**	**-**	**-**	**-**
of which provisioned commitments at the reporting date	-	-	-	-	-	-
Financing commitments	**-**	**-**	**-**	**-**	**-**	**-**
of which provisioned commitments at the reporting date	-	-	-	-	-	-
TOTAL	**142**	**-**	**-**	**-**	**-**	**-**
of which provisioned commitments at the reporting date	**-**	**-**	**-**	**-**	**-**	**-**

6.7.3 EXPOSURE TO CREDIT RISK AND EVALUATION OF THE CONCENTRATION OF CREDIT RISK

FINANCIAL ASSETS AT AMORTISED COST

		31/12/2018			
		Carrying amount			
		Performing assets			
(in € millions)	Credit risk rating grades	Assets subject to ECL 12 months (Bucket 1)	Assets subject to lifetime ECL (Bucket 2)	Credit-impaired assets (Bucket 3)	Total
Financial institutions	AAA	66	-	-	66
	AA	61	-	-	61
	A	33	-	-	33
	BBB	-	-	-	-
	BB ou < BB	4	-	-	4
	NR	-	-	-	-
Total Financial Institutions		**164**	**-**	**-**	**164**
Corporate	AAA	20	-	-	20
	AA	220	-	-	220
	A	20	-	-	20
	BBB	-	-	-	-
	BB ou < BB	-	-	-	-
	NR	404	-	-	404
Total Corporate		**664**	**-**	**-**	**664**
General Administration	AAA	-	-	-	-
	AA	-	-	-	-
	A	-	-	-	-
	BBB	-	-	-	-
	BB ou < BB	-	-	-	-
	NR	-	-	-	-
Total General Administration		**-**	**-**	**-**	**-**
Impairment		-	-	-	-
TOTAL		**828**	**-**	**-**	**828**

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS

		31/12/2018			
		Carrying amount			
		Performing assets			
(in € millions)	**Credit risk rating grades**	**Assets subject to ECL 12 months (Bucket 1)**	**Assets subject to lifetime ECL (Bucket 2)**	**Credit-impaired assets (Bucket 3)**	**Total**
Financial institutions	AAA	23,544	-	-	23,544
	AA	7,255	-	-	7,255
	A	30,032	-	-	30,032
	BBB	4,785	-	-	4,785
	BB ou < BB	-	3	-	3
	NR	-	-	-	-
Total Financial Institutions		**65,616**	**3**	**-**	**65,619**
Corporate	AAA	1,368	-	-	1,368
	AA	23,146	-	-	23,146
	A	31,731	1,136	-	32,867
	BBB	27,828	976	-	28,804
	BB ou < BB	-	50	-	50
	NR	-	-	-	-
Total Corporate		**84,073**	**2,162**	**-**	**86,235**
General Administration	AAA	475	-	-	475
	AA	50,708	-	-	50,708
	A	4,035	1	-	4,035
	BBB	7,038	-	-	7,038
	BB ou < BB	-	-	-	-
	NR	-	-	-	-
Total General Administration		**62,256**	**1**	**-**	**62,256**
TOTAL		**211,944**	**2,165**	**-**	**214,109**

6.8 Transferred assets not derecognised or derecognised with on-going involvement

6.8.1 TRANSFERRED ASSETS NOT DERECOGNISED IN FULL

	31/12/2018				
	Transferred assets still fully recognised				
	Transferred asssets				
Nature of transferred assets *(in € millions)*	Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other [1]	Fair value [2]
Financial assets held for trading	-	-	-	-	-
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans and receivables	-	-	-	-	-
Other financial assets at fair value through profit or loss	-	-	-	-	-
Equity instruments	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans and receivables	-	-	-	-	-
Financial assets at fair value through equity	18,181	6	18,175	-	18,020
Equity instruments	-	-	-	-	-
Debt securities	18,181	6	18,175	-	18,020
Loans and receivables	-	-	-	-	-
Financial assets at amortized cost	-	-	-	-	-
Debt securities	-	-	-	-	-
Loans and receivables	-	-	-	-	-
Total financial assets	**18,181**	**6**	**18,175**	**-**	**18,020**
TOTAL ASSETS TRANSFERRED	**18,181**	**6**	**18,175**	**-**	**18,020**

(1) Including securities loans with no collateral cash.

(2) In the event that the "guarantee of the other party to the agreement giving rise to the associated liabilities is limited to the transferred assets" (IFRS 7.42D.(d)).

31/12/2018								
Transferred assets still fully recognised						Transferred assets recognised to the extent of on the entity's continuing involvement		
				Associated liabilities	Assets and liabilities associated			
Carrying amount	o/w securitisation (non-deconsolidating)	o/w securities sold/bought under repurchase agreements	o/w other	Fair value [2]	Net fair value [2]	Total book value of initial assets prior to transfer	Carrying amounts of assets still recognised (continuing involvement)	Carrying amount of associated liabilities
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,181	-	18,181	-	18,181	(161)	-	-	-
-	-	-	-	-	-	-	-	-
18,181	-	18,181	-	18,181	(161)	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-
18,181	**-**	**18,181**	**-**	**18,181**	**(161)**	**-**	**-**	**-**
18,181	**-**	**18,181**	**-**	**18,181**	**(161)**	**-**	**-**	**-**

6

	31/12/2017									
	Transferred assets still fully recognised									
	Transferred assets					Associated liabilities				
Nature of transferred assets *(in € millions)*	**Carrying amount**	**o/w securitisation (non-decon-solidating)**	**o/w securities sold/ bought under repurchase agreements**	**o/w other [1]**	**Fair value [2]**	**Carrying amount**	**o/w securitisation (non-decon-solidating)**	**o/w securities sold/ bought under repurchase agreements**	**o/w other**	**Fair value [2]**
Held for trading	-	-	-	-	-	-	-	-	-	-
Designated at fair value through profit and loss	2,166	-	2,166	-	2,126	2,166	-	2,166	-	2,166
Available for sale	13,340	-	12,796	544	13,144	13,123	-	12,796	327	13,122
Equity instruments	544	-	-	544	544	327	-	-	327	327
Debt securities	12,796	-	12,796	-	12,600	12,796	-	12,796	-	12,795
Loans and receivables	-	-	-	-	-	-	-	-	-	1
Held to maturity	454	-	454	-	440	454	-	454	-	454
Debt securities	454	-	454	-	440	454	-	454	-	454
TOTAL FINANCIAL ASSETS	**15,960**	**-**	**15,416**	**544**	**15,710**	**15,743**	**-**	**15,416**	**327**	**15,743**
Finance leases	-	-	-	-	-	-	-	-	-	-
TOTAL TRANSFERRED ASSETS	**15,960**	**-**	**15,416**	**544**	**15,710**	**15,743**	**-**	**15,416**	**327**	**15,743**

(1) Dont les prêts de titres sans cash collatéral.

(2) Dans le cas où la «garantie de la ou des autres parties à l'accord donnant lieu aux passifs associés se limite aux actifs transférés» (IFRS 7.42D. (d)).

6.9 Derivative instruments

6.9.1 HEDGE ACCOUNTING

6.9.1.1 Hedging derivative instruments

	31/12/2018		
	Market value		
(in € millions)	positive	negative	Notional amount
Fair value hedges	-	-	-
Interest rate	-	-	-
Foreign exchange	-	-	-
Other	-	-	-
Cash flow hedges	1,072	-	3,550
Interest rate	1,072	-	3,550
Foreign exchange	-	-	-
Other	-	-	-
Hedges of net investments in foreign operations	-	-	-
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**1,072**	**-**	**3,550**

	31/12/2017	
	Market value	
(in € millions)	positive	negative
Interest rates	-	-
Foreign exchange	4	-
Equity instruments	-	-
Other	-	-
Fair value hedges	4	-
Interest rates	1,018	-
Foreign exchange	-	-
Equity instruments	-	-
Other	-	-
Cash flows hedges	1,018	-
Hedges of net investments in foreign operations	-	-
TOTAL HEDGING DERIVATIVE INSTRUMENTS	**1,022**	**-**

6.9.1.2 Operations on instruments derived of cover: analysis by residual duration (notional)

HEDGING DERIVATIVE INSTRUMENTS – NOTIONAL

	31/12/2018						
	Exchange-traded transactions			Over-the-counter transactions			
(in € millions)	≤ 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	-	-	-	-	-	3,550	3,550
Futures	-	-	-	-	-	-	-
FRAs	-	-	-	-	-	-	-
Interest rate swaps	-	-	-	-	-	3,550	3,550
Interest rate options	-	-	-	-	-	-	-
Caps – floors – collars	-	-	-	-	-	-	-
Other options	-	-	-	-	-	-	-
Currency	-	-	-	-	-	-	-
Currency futures	-	-	-	-	-	-	-
Currency options	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	3,550	3,550
Forward currency transactions	-	-	-	-	-	-	-
TOTAL NOTIONAL OF HEDGING DERIVATIVES	-	-	-	-	-	3,550	3,550

6.9.1.3 Cash flow hedge and net investment – hedging instruments

	31/12/2018			
	Carrying amount		Changes in fair value during the period (including termination of hedges during the period)	Notional amount
(in € millions)	Assets	Liabilities		
Regulated markets	-	-	-	-
Interest rate	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
Over-the-counter markets	1,072	-	54	3,550
Interest rate	1,072	-	54	3,550
Futures	1,072	-	54	3,550
Options	-	-	-	-
Foreign exchange	-	-	-	-
Futures	-	-	-	-
Options	-	-	-	-
Other	-	-	-	-
TOTAL CASH FLOW HEDGES	1,072	-	54	3,550
HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	-	-	-	-

6.9.1.4 Cash flow hedge and net investment – result of hedge accounting

	31/12/2018		
	Other comprehensive income on items that may be reclassified to profit or loss		Net income (Hedge accounting income or loss)
(in € millions)	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
Interest rate	54	-	-
Foreign exchange	-	-	-
Commodities	-	-	-
Other	-	-	-
TOTAL CASH FLOW HEDGES	**54**	**-**	**-**
HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**-**	**-**	**-**
TOTAL CASH FLOW HEDGES AND HEDGES OF NET INVESTMENTS IN FOREIGN OPERATIONS	**54**	**-**	**-**

6.9.2 HELD FOR TRADING DERIVATIVE INSTRUMENTS

	31/12/2018		31/12/2017	
	Market value		Market value	
(in € millions)	positive	negative	positive	negative
FRA	-	-	-	-
Interest rate swaps	268	-	205	1
Interest rate options	218	-	211	-
Caps, floors, collars	148	18	240	14
Other derivative instruments	-	-	-	22
Interest rate instruments	**634**	**18**	**656**	**37**
Exchange transactions	-	-	10	-
Currency instruments and gold	**-**	**-**	**10**	**-**
Equity and index derivatives	-	-	-	-
Other	-	-	1	-
Other instruments	**-**	**-**	**1**	**-**
TOTAL HELD FOR TRADING DERIVATIVE INSTRUMENTS	**634**	**18**	**667**	**37**

6.10 Investments in associates and joint ventures

FINANCIAL INFORMATION OF ASSOCIATES AND JOINT VENTURES

At 31 December 2018, the equity-accounted value of associates and joint ventures totalled €3,785 million.

Following a review of the non-consolidated entities in 2017 for operational reasons, 15 new entities (including 13 SCI) entered the consolidation perimeter by equity in 2018. The impact on equity is -€46 million and -€7.6 million on the result after participation in deferred profits and deferred tax.

Crédit Agricole Assurances holds interests in 10 joint ventures and 13 associates.

Material associates and joint ventures are presented in the table below. These are the main associates and joint ventures that make up the "the equity-accounted value in the balance sheet".

	31/12/2018						
(in € millions)	% of interest	Equity-accounted value	Share of market value	Dividends paid to Group's entities	Share of net income [1]	Share of shareholders'equity	Goodwill
Joint ventures							
FONCIERE HYPERSUD	51	12	33	-	3	12	-
EUROMARSEILLE [2]	50	29	43	(9)	31	29	-
FREY RETAIL VILLEBON [2]	48	19	23	(1)	2	19	-
SCI RUE DU BAC [2]	50	88	126	(3)	7	88	-
SCI TOUR MERLE [2]	50	28	42	-	2	28	-
SCI CARPE DIEM [2]	50	55	148	2	(1)	55	-
SCI ILOT 13 [2]	50	25	49	(2)	4	25	-
SCI1 TERRASSE BELLINI [2]	33	30	52	(1)	1	30	-
SCI WAGRAM 22/30 [2]	50	35	44	(4)	2	35	-
Associates							
RAMSAY – GENERALE DE SANTE	38	439	624	-	3	181	258
INFRA FOCH TOPCO	49	95	226	(35)	16	(93)	188
ALTAREA	25	559	657	(50)	54	462	97
KORIAN	23	615	591	(11)	42	578	37
FREY	19	114	100	(2)	14	112	2
SCI CARGO PROPERTY HOLDING	28	182	207	(9)	3	182	-
ICADE	18	935	911	(59)	22	566	370
PATRIMOINE ET COMMERCE	20	71	45	(3)	2	71	-
SAS PARHOLDING [2]	50	83	391	(4)	13	8	74
SCI HEART OF LA DEFENSE [2]	33	271	271	(10)	(5)	271	-
SAS CRISTAL [2]	46	46	76	(7)	(4)	46	-
SCI WASHINGTON [2]	34	39	218	(3)	9	39	-
SCI FONDIS [2]	25	17	72	(1)	4	17	-
Net carrying amount of investments in associates and joint ventures	-	**3,785**	**4,949**	**(211)**	**225**	**2,758**	**1,027**

(1) Share of net income since a significant influence is exercised recognised in the period before restatements.

(2) The companies SAS Parholding, SCI Euromarseille 1, SCI Euromarseille 2, SCI Heart of la Défense, Frey Retail Villebon, SAS Cristal, SCI Rue du Bac, SCI Washington, SCI Tour Merle, SCI Carpe Diem, SCI Fondis, SCI Ilot 13, SCI 1 Terrasse Bellini, SCI Wagram 22/30 et Arcapark. entered the consolidation perimeter by equity in 2018.

	31/12/2017						
(in € millions)	**% of interest**	**Equity-accounted value**	**Share of market value**	**Dividends paid to Group's entities**	**Share of net income [1]**	**Share of shareholders'equity**	**Goodwill**
Joint ventures							
FONCIERE HYPERSUD	51	9	31	-	(2)	9	-
Associates							
RAMSAY – GENERALE DE SANTE	38	435	459	-	22	177	258
INFRA FOCH TOPCO	37	91	168	(26)	27	(50)	141
ALTAREA	25	544	825	(42)	83	447	97
KORIAN	23	521	547	(11)	32	484	37
EUROSIC [3]	-	-	-	(21)	56	-	-
FREY	18	58	54	(2)	7	57	1
SCI CARGO PROPERTY HOLDING [2]	30	171	164	(7)	1	171	-
ICADE [2]	18	966	1,123	-	14	597	369
PATRIMOINE ET COMMERCE [2]	20	68	55	(3)	18	68	-
Net carrying amount of investments in associates		**2,864**	**3,426**	**(112)**	**258**	**1,960**	**904**

(1) Share of result since a significant influence is exercised recognised in the period before restatements.

(2) SCI Cargo Property Holding, Icade and Patrimoine et Commerce entered the scope of consolidation by the equity method in 2017.

(3) As part of the merger between Gecina and Eurosic, CAA sold all of its Eurosic shares. The company exited the scope of consolidation at 31/12/2017.

The market value shown above is the quoted price of the shares on the market at 31 December 2018. 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.

Condensed financial information for the material associates and joint ventures of Crédit Agricole Assurances is shown below:

	31/12/2018		
(in € millions)	**Net Income [1]**	**Total Assets**	**Total equity**
Joint ventures			
FONCIERE HYPERSUD	6	176	23
EUROMARSEILLE	62	211	82
FREY RETAIL VILLEBON	4	171	39
SCI RUE DU BAC	14	238	175
SCI TOUR MERLE	4	118	56
SCI CARPE DIEM	(2)	236	109
SCI ILOT 13	8	87	48
SCI1 TERRASSE BELLINI	4	125	95
SCI WAGRAM 22/30	5	352	75
Associates			
RAMSAY – GENERALE DE SANTE	7	2,502	511
INFRA FOCH TOPCO	33	3,199	550
ALTAREA	220	8,247	3,060
KORIAN	180	7,279	2,480
FREY	71	1,048	581
SCI CARGO PROPERTY HOLDING	10	595	576
ICADE	120	11,388	3,812
PATRIMOINE ET COMMERCE	12	795	361
SAS PARHOLDING	26	38	25
SCI HEART OF LA DEFENSE	(15)	1,876	825
SAS CRISTAL	(9)	129	119
SCI WASHINGTON	28	286	104
SCI FONDIS	18	576	297

(1) Net income, Group share corresponding to 12 rolling months reconstituted from the last financial statements available.

	31/12/2017		
(in € millions)	**Net Income [1]**	**Total Assets**	**Total equity**
Joint ventures			
FONCIERE HYPERSUD	(4)	170	17
Associates			
RAMSAY – GENERALE DE SANTE	57	2,346	502
INFRA FOCH TOPCO	72	3,081	603
ALTAREA	335	7,624	2,979
KORIAN	137	6,687	2,097
FREY	39	586	321
SCI CARGO PROPERTY HOLDING	4	606	593
ICADE	77	10,049	3,864
PATRIMOINE ET COMMERCE	93	722	337

(1) Net income, Group share corresponding to 12 rolling months reconstituted from the half-year financial statements of 30 June 2017

This financial information comes from the last published financial statements established according to IFRS standards by associates and by joint ventures.

INFORMATION ON THE RISKS RELATED TO INTERESTS

At 31 December 2018, Crédit Agricole Assurances has no commitment in respect of its interests in its joint ventures which would result in an outflow of resources or assets.

At 31 December 2018, no contingent liability is incurred by Crédit Agricole Assurances in its joint ventures and associates.

SIGNIFICANT RESTRICTIONS ON JOINT VENTURES AND ASSOCIATES

These restrictions are similar to the one relating to controlled entities shown in note 10 Scope of consolidation.

6.11 Reinsurer's share in liabilities arising from insurance and financial contracts

(in € millions)	31/12/2018	31/12/2017
Mathematical reserves ceded	-	-
Provisions for unearned premiums ceded	139	131
Provisions for claims outstanding ceded	499	438
Other technical reserves ceded	469	439
Reinsurers'share in non-life insurance reserves	**1,107**	**1,008**
Mathematical reserves ceded	503	449
Provisions for unearned premiums ceded	155	146
Provisions for claims outstanding ceded	44	43
Other technical reserves ceded	13	5
Profit-sharing provisions ceded	-	-
Reinsurers'share in life insurance reserves	**715**	**643**
Reinsurers'share in provisions for financial contracts	**-**	**-**
TOTAL SHARE HELD BY CEDANTS IN LIABILITIES	**1,822**	**1,651**

6.12 Operating property and other property, plant and equipment

(in € millions)	31/12/2017	01/01/2018	Change in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2018
Gross amount	293	293	-	5	(2)	-	-	297
Depreciation, amortization and impairment	(77)	(77)	-	(10)	-	-	-	(87)
NET VALUE OF OPERATING PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT	**216**	**216**	**-**	**(5)**	**-**	**-**	**-**	**211**

(in € millions)	31/12/2016	Change in scope	Increases (acquisitions, business combinations)	Decreases (disposals and redemptions)	Foreign exchange differences	Other movements	31/12/2017
Gross amount	304	(6)	6	(11)	-	-	293
Depreciation, amortization and impairment	(83)	6	(10)	10	-	-	(77)
NET VALUE OF OPERATING PROPERTY AND OTHER PROPERTY, PLANT AND EQUIPMENT	**221**	**-**	**(4)**	**(1)**	**-**	**-**	**216**

6.13 Deferred acquisition costs

(in € millions)	31/12/2018	31/12/2017
Net deferred acquisition costs and similar on insurance and financial contracts with discretionary participation features	601	561
Rights acquired on financial contracts without discretionary participation features	15	14
Net deferred acquisition costs and similar on life activities	**616**	**575**
Deferred acquisition costs on non-life activities	**409**	**396**
Deferred acquisition costs	**1,025**	**971**
Provisions for expenses and unearned deductions	**(13)**	**(13)**
TOTAL DEFERRED ACQUISITION COSTS	**1,012**	**958**

6.14 Current and deferred tax assets and liabilities

6.14.1 CURRENT AND DEFERRED TAX ASSETS AND LIABILITIES

In accordance with IAS 12, deferred tax assets and liabilities are now offset within a same taxable entity.

(in € millions)	31/12/2018	31/12/2017
Current tax	72	262
Deferred tax	59	45
TOTAL CURRENT AND DEFERRED TAX ASSETS	**131**	**307**
Current tax	54	20
Deferred tax	154	420
TOTAL CURRENT AND DEFERRED TAX LIABILITIES	**208**	**440**

6.14.2 DEFERRED TAX ASSETS AND LIABILITIES: BREAKDOWN OF DEFERRED TAXES

Net deferred tax assets and liabilities break down as follows:

(in € millions)	31/12/2018
Temporary timing differences	**117**
Non-deductible accrued expenses	50
Non-deductible provisions	110
Other temporary differences	(43)
Deferred tax on reserves for unrealised gains or losses	**(568)**
Available-for-sale assets	(4,217)
Profit-sharing on AFS reserves	3,925
Cash flow hedges	(276)
Actuarial gains and losses on post-employment benefits	-
Deferred tax on income and reserves	**356**
TOTAL DEFERRED TAX	**(95)**

(in € millions)	31/12/2017
Temporary timing differences	**102**
Non-deductible accrued expenses	45
Non-deductible provisions	100
Other temporary differences	(43)
Deferred tax on reserves for unrealised gains or losses	**(795)**
Available-for-sale assets	(5,528)
Profit-sharing on AFS reserves	4,778
Cash flow hedges	(45)
Actuarial gains and losses on post-employment benefits	-
Deferred tax on income and reserves	**318**
TOTAL DEFERRED TAX	**(375)**

6.15 Receivables resulting from insurance and inward reinsurance operations

	31/12/2018			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Receivables due from policyholders	43	-	-	44
Commission receivables from banking distribution networks	1,417	-	-	1,417
Unrecovered written premiums	6	-	-	6
Unwritten earned premiums	13	-	-	13
Other receivables	725	-	1	726
Receivables for cash deposited at ceding companies	31	46	419	496
TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**2,236**	**46**	**420**	**2,703**

	31/12/2017			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Receivables due from policyholders	1,326	-	-	1,326
Unrecovered written premiums	3	-	-	3
Unwritten earned premiums	28	-	-	28
Other receivables	292	-	1	293
Receivables for cash deposited at ceding companies	88	177	167	432
TOTAL RECEIVABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**1,737**	**177**	**168**	**2,082**

6.16 Receivables resulting from ceded reinsurance operations

	31/12/2018			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Current accounts – ceding and retroceding companies	131	7	-	139
TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS	**131**	**7**	**-**	**139**

	31/12/2017			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Current accounts – ceding and retroceding companies	43	-	41	84
TOTAL RECEIVABLES ARISING ON CEDED REINSURANCE OPERATIONS	**43**	**-**	**41**	**84**

6.17 Other receivables

(in € millions)	31/12/2018	31/12/2017
Employees accounts	2	2
Government, social security bodies	373	334
Accrued income	255	337
Sundry debtors	437	421
Other adjustment accounts	208	233
Securities under repurchase agreements	2,979	3,021
TOTAL	**4,254**	**4,348**

6.18 Cash and cash equivalents

	31/12/2018		31/12/2017	
(in € millions)	Assets	Liabilities	Assets	Liabilities
Cash	-	-	9	-
Central banks	1,365	851	1,889	285
CARRYING AMOUNT	**1,365**	**851**	**1,898**	**285**

6.19 Equity

COMPOSITION OF SHARE CAPITAL AT 31 DECEMBER 2018

Equity and voting rights broke down as follows:

Shareholders	Shares outstanding	% of capital	% of voting rights
Crédit Agricole S.A.	149,040,361	99.99	100
Other	6	0.01	-
TOTAL	**149,040,367**	**100.00**	**100**

The par value of shares is €10. These shares have been fully paid up.

MOVEMENTS IN CAPITAL OF CRÉDIT AGRICOLE ASSURANCES

No capital movement was made during 2018.

PREFERRED SHARES

Crédit Agricole Assurances has not issued any preferred shares.

EARNINGS PER SHARE

	31/12/2018	31.12.2017
Net income – Group share (€ millions)	1,331	1,352
Weighted average number of ordinary shares outstanding during the period	149,040,367	149,040,367
Earnings per share (€)	8.93	9.07

DIVIDENDS

- On 3 May 2018, the General Meeting approved the payment of a global dividend totaling €1,212 million relating to the 2017 financial year, or €8.13 per share.

	2018 (1)	2017	2016	2015	2014
Net dividend per share (€)	7.99	8.13	5.54	6.72	3.59
Final dividend (€ millions)	1,191	1,212	826	974	445

(1) This dividend will be submitted to the Shareholders' Meeting on April 18th 2019.

DETAIL OF GAINS AND LOSSES RECOGNISED IN EQUITY

(in € millions)	31/12/2018
Other comprehensive income on items that may be reclassified subsequently to profit or loss	
Gains and losses on translation adjustements	**1**
Revaluation adjustment of the period	-
Reclassified to profit or loss	-
Other variations	1
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit orand loss	**(740)**
Revaluation adjustment of the period	(4,224)
Reclassified to profit or loss	(30)
Other variations	(3)
Change in deferred participation during the period	3,517
Gains and losses on hedging derivative instruments	**9**
Revaluation adjustment of the period	54
Reclassified to profit or loss	-
Other variations	-
Change in deferred participation during the period	(45)
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	**(356)**
Revaluation adjustment of the period	(2,155)
Reclassified to profit or loss	-
Other variations	(64)
Change in deferred participation during the period	1,863
Pre-tax other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**(1,086)**
Income tax related to items that may be reclassified to profit or loss excluding equity-accounted entities	**-**
Income tax related to items that may be reclassified to profit or loss on equity-accounted entities	**365**
Net other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	**-**
Other comprehensive income on items that may be reclassified subsequently to profit or loss, net of income tax	**(3)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(724)**
Actuarial gains and losses on post-employment benefits	
Other comprehensive income on financial liabilities attributable to changes in own credit risk	-
Revaluation adjustment of the period	**(11)**
Transfer in reserves	(10)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	-
Other variations	(1)
Revaluation adjustment of the period	-
Transfer in reserves	**(11)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**
Income tax related to items that will not be reclassified excluding equity-accounted entities	**3**
Income tax related to items that will not be reclassified on equity-accounted entities	**(2)**
Net other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities on discontinued operations	**-**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss, net of income tax	**(11)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(735)**
Of which Group share	*(734)*
Of which non-controlling interests	*(1)*

(in € millions)	**31/12/2017**
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax	
Gains and losses on foreign exchange differences	**(1)**
Revaluation adjustment in the period	-
Reclassified to profit and loss	-
Other changes	(1)
Gains and losses on available-for-sale assets	**(280)**
Gains and losses on available-for-sale assets before profit-sharing	(716)
Revaluation adjustment in the period	748
Reclassified to profit and loss	(1,439)
Other changes	(25)
Change in deferred profit-sharing in the period	436
Gains and losses on hedging derivative instruments	**(23)**
Gains and losses on hedging derivative instruments before profit-sharing	(139)
Revaluation adjustment in the period	(139)
Reclassified to profit and loss	-
Other changes	-
Change in deferred profit-sharing in the period	116
Pre-tax other comprehensive income on items that may be reclassified to profit and loss on associates and joint ventures	**(7)**
Income tax related to items that may be reclassified to profit and loss excluding associates and joint ventures	**156**
Income tax related to items that may be reclassified to profit and loss on associates and joint ventures	**(15)**
Other comprehensive income on items that may be reclassified to profit and loss from discontinued operations	**-**
Other comprehensive income on items that may be reclassified subsequently to profit and loss, net of income tax	**(170)**
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax	
Actuarial gains and losses on post-employment benefits	(1)
Pre-tax other comprehensive income on items that will not be reclassified to profit and loss on associates and joint ventures	-
Income tax related to items that will not be reclassified to profit and loss excluding associates and joint ventures	(4)
Income tax related to items that will not be reclassified to profit and loss on associates and joint ventures	-
Other comprehensive income on items that will not be reclassified to profit and loss from discontinued operations	(2)
Other comprehensive income on items that will not be reclassified subsequently to profit and loss, net of income tax	**(7)**
OTHER COMPREHENSIVE INCOME NET OF INCOME TAX	**(177)**
o/w Group share	*(178)*
o/w Non-controlling interests	*1*

DETAIL OF GAINS AND LOSSES RECOGNISED IN EQUITY AND TAX EFFECT

	31/12/2017					01/01/2018				
(in € millions)	Gross	Deferred participation	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Deferred participation	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 adjustements	(4)	-	(1)	(5)	(5)	(4)		(1)	(5)	(5)
Gains and losses on assets available for sale	20,749	(17,493)	(740)	2,515	2,514					
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss						18,130	(14,964)	(832)	2,333	2,332
Gains and losses on hedging derivative instruments	1,018	(847)	(44)	127	127	1,018	(847)	(44)	127	127
Reclassification of net gains (losses) of designated financial assets applying the overlay approach						4,731	(4,222)	(15)	494	494
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**21,763**	**(18,340)**	**(785)**	**2,637**	**2,636**	**23,874**	**(20,033)**	**(892)**	**2,950**	**2,948**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**(64)**	**50**	**(13)**	**(27)**	**(27)**					
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	**16**	**-**	**(1)**	**14**	**14**	**15**		**(1)**	**14**	**14**
Other comprehensive income on items that may be reclassified subsequently to profit or losss	**21,715**	**(18,290)**	**(799)**	**2,624**	**2,623**	**23,889**	**(20,033)**	**(893)**	**2,963**	**2,962**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss										
Actuarial gains and losses on post-employment benefits	(17)	-	-	(17)	(17)	(17)		-	(17)	(17)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	(17)	-	-	(17)	(17)	(6)	1	-	(4)	(4)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(17)**	**-**	**-**	**(17)**	**(17)**	**(22)**	**1**	**1**	**(21)**	**(21)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**-**	**-**	**-**	**-**	**-**	**(64)**	**50**	**(13)**	**(27)**	**(27)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities on discontinued operations	**(2)**	**-**	**-**	**(2)**	**(2)**	**(1)**			**(1)**	**(1)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(19)**	**-**	**-**	**(19)**	**(19)**	**(88)**	**51**	**(13)**	**(50)**	**(50)**
OTHER COMPREHENSIVE INCOME	**21,695**	**(18,290)**	**(799)**	**2,605**	**2,604**	**23,802**	**(19,982)**	**(906)**	**2,914**	**2,912**

(in € millions)	Changes					31/12/2018				
	Gross	Deferred participation	Income tax charges	Net of income tax	Net of income tax of which Group Share	Gross	Deferred Participation	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 adjustements	1	-	1	2	2	(3)	-	-	(3)	(3)
Gains and losses on assets available for sale				*						
Gains and losses on debt instruments at fair value through other comprehensive income that may be reclassified to profit or loss	(4,257)	3,517	200	(539)	(539)	13,873	(11,447)	(632)	1,794	1,793
Gains and losses on hedging derivative instruments	54	(45)	(3)	7	7	1,072	(892)	(47)	134	134
Reclassification of net gains (losses) of designated financial assets applying the overlay approach	(2,976)	2,620	166	(190)	(190)	1,755	(1,602)	151	304	304
Other comprehensive income on items that may be reclassified to profit or loss excluding equity-accounted entities	**(7,177)**	**6,091**	**365**	**(721)**	**(720)**	**16,697**	**(13,942)**	**(527)**	**2,229**	**2,228**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Other comprehensive income on items that may be reclassified to profit or loss on equity-accounted entities on discontinued operations	**(4)**	**-**	**-**	**(3)**	**(3)**	**11**	**-**	**(1)**	**11**	**11**
Other comprehensive income on items that may be reclassified subsequently to profit or loss	**(7,180)**	**6,091**	**365**	**(724)**	**(723)**	**16,709**	**(13,942)**	**(528)**	**2,239**	**2,239**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss										
Actuarial gains and losses on post-employment benefits	-	-	-	-	-	(17)	-	-	(17)	(17)
Other comprehensive income on equity instruments that will not be reclassified to profit or loss	(11)	-	4	(8)	(8)	(17)	1	4	(12)	(12)
Other comprehensive income on items that will not be reclassified to profit or loss excluding equity-accounted entities	**(12)**	**-**	**3**	**(8)**	**(8)**	**(34)**	**1**	**4**	**(29)**	**(29)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities	**7**	**(7)**	**(3)**	**(3)**	**(3)**	**(57)**	**43**	**(16)**	**(30)**	**(30)**
Other comprehensive income on items that will not be reclassified to profit or loss on equity-accounted entities on discontinued operations	**(1)**	**-**	**-**	**(1)**	**(1)**	**(2)**	**-**	**-**	**(2)**	**(2)**
Other comprehensive income on items that will not be reclassified subsequently to profit or loss	**(4)**	**(7)**	**1**	**(10)**	**(10)**	**(92)**	**44**	**(12)**	**(60)**	**(60)**
OTHER COMPREHENSIVE INCOME	**(7,186)**	**6,084**	**367**	**(735)**	**(734)**	**16,616**	**(13,898)**	**(539)**	**2,179**	**2,178**

6.20 Provisions for risks and charges

Provisions included the following items:

(in € millions)	31/12/2017	01/01/2018	Changes in scope	Allocation	Reversals	Utilisation	Foreign exchange differences	Other changes	31/12/2018
Employee retirement and similar benefits	81	81	-	17	(4)	-	-	-	94
Insurance litigation	17	17	-	1	(1)	-	-	-	18
Other litigations	21	21	-	-	(11)	-	-	-	10
Other risks	43	43	-	-	(22)	-	-	-	21
TOTAL	**162**	**162**	**-**	**19**	**(38)**	**-**	**-**	**-**	**143**

(in € millions)	31/12/2016	Changes in scope	Allocation	Reversals	Utilisation	Foreign exchange differences	Other changes	31/12/2017
Employee retirement and similar benefits	76	-	10	(2)	(3)	(1)	(1)	81
Insurance litigation	21	-	9	(13)	-	-	-	17
Other litigations	37	-	3	(17)	(1)	-	-	21
Other risks	31	-	11	-	-	-	-	43
TOTAL	**165**	**-**	**33**	**(32)**	**(4)**	**(1)**	**(1)**	**162**

6.21 Financing debt

6.21.1 SUBORDINATED DEBT

(in € millions)	Currency	31/12/2018	31/12/2017
Fixed-term subordinated debt	EUR	3,672	3,693
Perpetual subordinated debt	EUR	840	1,161
TOTAL	**EUR**	**4,512**	**4,854**

6.21.2 FINANCING DEBT TO THE COMPANIES OF THE BANKING SECTOR

(in € millions)	31/12/2018	31/12/2017
Accounts and borrowings	1,979	1,973
CARRYING AMOUNT	**1,979**	**1,973**

6.21.3 BREAKDOWN OF FINANCIAL LIABILITIES BY CONTRACTUAL TERM

	31/12/2018					
(in € millions)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Indefinite	Total
Subordinated debts	25	35	316	3,299	837	4,512
Debt to banking establishments	3	278	1,248	449	1	1,979
TOTAL FINANCIAL LIABILITIES BY MATURITY	**28**	**313**	**1,564**	**3,748**	**838**	**6,491**

	31/12/2017				
(in € millions)	≤ 3 months	> 3 months up to ≤ 1 year	> 1 year up to ≤ 5 years	> 5 years	Total
Subordinated debts	-	35	574	3,084	3,693
Debt to banking establishments	-	4	-	1,157	1,161
TOTAL FINANCIAL LIABILITIES BY MATURITY	**-**	**39**	**574**	**4,241**	**4,854**

6.21.4 FINANCING CHARGES

(in € millions)	31/12/2018	31/12/2017
Redeemable subordinated notes	(277)	(167)
Perpetual subordinated notes	(118)	(73)
Other financing charges	(34)	(39)
FINANCING CHARGES	**(429)**	**(279)**

6.22 Information on the offsetting of financial assets and financial liabilities

OFFSETTING – FINANCIAL ASSETS

31/12/2018	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of transaction				Other amounts that can be offset under given conditions		
(in € millions)	Gross amounts of recognised assets before any offsetting effect (a)	Gross amounts of recognised liabilities set off in the financial statements (b)	Net amounts of financial assets presented in the financial statements (c) = (a)-(b)	Gross amounts of financial liabilities covered under master offsetting agreement	Amounts of other financial instruments received as collateral, including security deposit (d)	Net amount after all offsetting effects (e) = (c) - (d)
Derivatives	1,705	-	1,705	-	1,685	20
Reverse repurchase agreements	2,971	-	2,971	-	2,874	97
Securities lent	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**4,676**	**-**	**4,676**	**-**	**4,559**	**117**

31/12/2017	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of transaction				Other amounts that can be offset under given conditions		
(in € millions)	Gross amounts of recognised assets before any offsetting effect (a)	Gross amounts of recognised liabilities set off in the financial statements (b)	Net amounts of financial assets presented in the financial statements (c) = (a)-(b)	Gross amounts of financial liabilities covered under master offsetting agreement	Amounts of other financial instruments received as collateral, including security deposit (d)	Net amount after all offsetting effects (e) = (c) - (d)
Derivatives	1,689	-	1,689	-	1,716	(27)
Reverse repurchase agreements	3,021	-	3,021	-	3,021	-
Securities lent	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL ASSETS SUBJECT TO OFFSETTING	**4,710**	**-**	**4,710**	**-**	**4,737**	**(27)**

OFFSETTING – FINANCIAL LIABILITIES

31/12/2018	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of transaction				Other amounts that can be offset under given conditions		
(in € millions)	Gross amounts of recognised assets before any offsetting effect (a)	Gross amounts of recognised liabilities set off in the financial statements (b)	Net amounts of financial assets presented in the financial statements (c) = (a)-(b)	Gross amounts of financial liabilities covered under master offsetting agreement	Amounts of other financial instruments received as collateral, including security deposit (d)	Net amount after all offsetting effects (e) = (c) - (d)
Derivatives	18	-	18	-	-	18
Repurchase agreements	18,181	-	18,181	-	18,074	107
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**18,199**	**-**	**18,199**	**-**	**18,074**	**125**

31/12/2017	Offsetting effects on financial assets covered by master netting agreement and similar agreements					
Type of transaction				Other amounts that can be offset under given conditions		
(in euros million)	Gross amounts of recognised assets before any offsetting effect (a)	Gross amounts of recognised liabilities set off in the financial statements (b)	Net amounts of financial assets presented in the financial statements (c) = (a)-(b)	Gross amounts of financial liabilities covered under master offsetting agreement	Amounts of other financial instruments received as collateral, including security deposit (d)	Net amount after all offsetting effects (e) = (c) - (d)
Derivatives	37	-	37	-	-	37
Repurchase agreements	16,849	-	16,849	-	16,849	-
Securities borrowed	-	-	-	-	-	-
Other financial instruments	-	-	-	-	-	-
TOTAL FINANCIAL LIABILITIES SUBJECT TO OFFSETTING	**16,886**	**-**	**16,886**	**-**	**16,849**	**37**

6.23 Liabilities relating to insurance and financial contracts

TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS

Insurance contracts, whose technical liabilities are presented in the table below, are contracts under which the insurer shoulders a significant insurance risk.

	31/12/2018		
(in € millions)	Before reinsurance	Ceded	Net of reinsurance
Provisions for unearned premiums	1,928	139	1,789
Provisions for claims	4,303	499	3,804
Profit-sharing provisions	-	-	-
Provisions for shortfall in liabilities	-	-	-
Other provisions	2,184	469	1,715
Technical liabilities relating to non-life insurance contracts	**8,415**	**1,107**	**7,309**
Provisions for unearned premiums	1,053	155	898
Mathematical reserves	145,178	503	144,675
Provisions for claims	1,499	44	1,455
Profit-sharing provisions	6,151	-	6,151
Provisions for shortfall in liabilities	9	-	9
Other provisions	262	13	249
Technical liabilities relating to life insurance contracts	**154,151**	**715**	**153,435**
Technical liabilities relating to insurance contracts when financial risk is born by the policyholder	**54,758**	**-**	**54,758**
TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS	**217,324**	**1,822**	**215,503**

	31/12/2017		
(in € millions)	Before reinsurance	Ceded	Net of reinsurance
Provisions for unearned premiums	1,791	131	1,660
Provisions for claims	3,901	438	3,464
Profit-sharing provisions	-	-	-
Provisions for shortfall in liabilities	-	-	-
Other provisions	2,016	439	1,577
Technical liabilities relating to non-life insurance contracts	**7,708**	**1,008**	**6,701**
Provisions for unearned premiums	975	146	829
Mathematical reserves	127,500	449	127,052
Provisions for claims	1,334	43	1,291
Profit-sharing provisions	5,019	-	5,019
Provisions for shortfall in liabilities	12	-	11
Other provisions	191	5	185
Technical liabilities relating to life insurance contracts	**135,031**	**643**	**134,387**
Technical liabilities relating to insurance contracts when financial risk is born by the policyholder	**50,098**	**-**	**50,098**
TOTAL TECHNICAL LIABILITIES RELATING TO INSURANCE CONTRACTS	**192,837**	**1,651**	**191,186**

At 31 December 2018, the general reserve for management costs amounted to €173 million compared to €175 million at 31 December 2017. The reserve for increasing risks with respects to the long-term care risk amounted to €848 million at 31 December 2018 compared to €798 million at 31 December 2017.

LOSS RESERVES DEVELOPMENT TABLE – NON LIFE

(in € millions)	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Provisions for initially handled gross claims	1,844	2,113	2,283	2,538	2,784	3,011	3,241	3,535	3,903	4,267
Exchange rate impact at 31 December 2018	-	-	-	-	-	-	-	-	-	
Impact of change in scope of consolidation on 2018	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	
Provisions for initially handled gross claims adjusted for exchange rates and consolidation scope in 2018	**1,844**	**2,113**	**2,283**	**2,538**	**2,784**	**3,011**	**3,241**	**3,535**	**3,903**	**4,267**
Cumulative payments at										
▶ one year later	662	735	776	808	893	928	1,010	1,112	-	
▶ two years later	855	940	1,002	1,066	1,188	1,275	1,343	-	-	
▶ three years later	975	1,069	1,161	1,241	1,377	1,492	-	-	-	
▶ four years later	1,065	1,166	1,279	1,393	1,534	-	-	-	-	
▶ five years later	1,133	1,246	1,385	1,519	-	-	-	-	-	
▶ six years later	1,195	1,319	1,480	-	-	-	-	-	-	
▶ seven years later	1,247	1,384	-	-	-	-	-	-	-	
▶ eight years later	1,293	-	-	-	-	-	-	-	-	
▶ nine years later	-	-	-	-	-	-	-	-	-	
▶ ten years later	-	-	-	-	-	-	-	-	-	
Re-estimated final cost at										
▶ one year later	1,833	2,061	2,257	2,469	2,734	2,981	3,176	3,628	-	
▶ two years later	1,742	1,935	2,146	2,381	2,637	3,096	3,202	-	-	
▶ three years later	1,677	1,877	2,108	2,334	2,698	2,893	-	-	-	
▶ four years later	1,632	1,862	2,081	2,390	2,621	-	-	-	-	
▶ five years later	1,645	1,855	2,153	2,350	-	-	-	-	-	
▶ six years later	1,644	1,901	2,115	-	-	-	-	-	-	
▶ seven years later	1,677	1,882	-	-	-	-	-	-	-	
▶ eight years later	1,673	-	-	-	-	-	-	-	-	
▶ nine years later	-	-	-	-	-	-	-	-	-	
▶ ten years later	-	-	-	-	-	-	-	-	-	
INITIAL NET CLAIMS RESERVES IN EXCESS OF RE-ESTIMATED NET CLAIMS RESERVES AS OF 31 DECEMBER 2018	**171**	**231**	**168**	**188**	**164**	**119**	**40**	**(93)**	**-**	

The first line "Provisions for initially handled gross claims" represents the amount of provisions (in the financial year during which the claim occurred and all the previous years) handled at the accounting closing date indicated in the columns.

The "cumulative payments" section describes in detail the cumulative amount of payments relating to year Y when the claim occurred and previous years. The second section "re-estimated final cost" describes in detail the Group's commitment for the year in which the claim occurred and previous years. The estimate of the final cost fluctuates in line with the increasing reliability of information about claims still pending.

The surplus or shortfall in initial provisions in comparison with the re-estimated final cost is the difference between the initial provision and the latest estimate of provisions for claims outstanding.

TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS

Financial contracts, whose technical liabilities are presented in the table below, are contracts that do not expose the insurer to a significant insurance risk. They are governed by IFRS 4 when they include discretionary profit sharing features and by IFRS 9 when they do not.

	31/12/2018		
(in € millions)	Before reinsurance	Ceded	Net of reinsurance
Mathematical reserves	80,091	-	80,091
Provisions for claims	1,948	-	1,949
Profit-sharing provisions	3,720	-	3,720
Provisions for shortfall in liabilities	14	-	14
Other provisions	20	-	20
Technical liabilities relating to financial contracts in euros with discretionary participation features	**85,793**	**-**	**85,793**
Mathematical reserves	29	-	29
Provisions for claims	-	-	-
Other provisions	-	-	-
Technical liabilities relating to financial contracts in euros without discretionary participation features	**29**	**-**	**29**
Technical liabilities relating to investment contracts where financial risk is born by the policyholder, with discretionary participation features	1,342	-	1,342
Technical liabilities relating to investment contracts where financial risk is born by the policyholder, without discretionary participation features	3,822	-	3,822
Technical liabilities on unit-linked financial contracts	**5,163**	**-**	**5,163**
TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS	**90,985**	**-**	**90,985**

	31/12/2017		
(in € millions)	Before reinsurance	Ceded	Net of reinsurance
Mathematical reserves	91,406	-	91,406
Provisions for claims	1,786	-	1,786
Profit-sharing provisions	4,028	-	4,028
Provisions for shortfall in liabilities	13	-	13
Other provisions	20	-	20
Technical liabilities relating to financial contracts in euros with discretionary participation features	**97,253**	**-**	**97,253**
Mathematical reserves	41	-	41
Provisions for claims	-	-	-
Other provisions	-	-	-
Technical liabilities relating to financial contracts in euros without discretionary participation features	**41**	**-**	**41**
Technical liabilities relating to investment contracts where financial risk is born by the policyholder, with discretionary participation features	5,705	-	5,705
Technical liabilities relating to investment contracts where financial risk is born by the policyholder, without discretionary participation features	3,860	-	3,860
Technical liabilities on unit-linked financial contracts	**9,565**	**-**	**9,565**
TOTAL TECHNICAL LIABILITIES RELATING TO FINANCIAL CONTRACTS	**106,859**	**-**	**106,859**

CHANGES IN GROSS LIFE MATHEMATICAL RESERVES

	31/12/2018			
(in € millions)	Life insurance contracts	Financial contracts with discretionary participation features	Financial contracts without discretionary participation features	Total
Mathematical reserves on life contracts at beginning of period	**177,597**	**97,111**	**3,901**	**278,609**
Premiums	24,082	2,125	557	26,764
Claims	(12,455)	(7,279)	(390)	(20,123)
Increase in contract prices	(515)	448	(188)	(256)
Changes in provisions relating to technical and actuarial items	1,249	(1,629)	(20)	(400)
Transfers	3,030	(2,241)	(10)	779
Other	6,948	(7,102)	-	(155)
Change in scope	-	-	-	-
MATHEMATICAL RESERVES ON LIFE AT END OF PERIOD	**199,936**	**81,432**	**3,850**	**285,219**

	31/12/2017			
(in € millions)	Life insurance contracts	Financial contracts with discretionary participation features	Financial contracts without discretionary participation features	Total
Mathematical reserves on life contracts at beginning of period	**166,746**	**98,383**	**3,669**	**268,798**
Premiums	19,033	4,747	465	24,245
Claims	(11,866)	(8,409)	(393)	(20,668)
Increase in contract prices	3,898	1,773	51	5,722
Changes in provisions relating to technical and actuarial items	(838)	997	113	272
Transfers	572	(392)	(4)	176
Other	52	12	-	64
Change in scope	-	-	-	-
MATHEMATICAL RESERVES ON LIFE AT END OF PERIOD	**177,597**	**97,111**	**3,901**	**278,609**

SCHEDULE OF INSURANCE LIABILITIES

The estimated flow of insurance liabilities of Crédit Agricole Assurances is presented in the following table. Insurance contracts and financial contracts are concerned with the exception of passive deferred profit-sharing.

	31/12/2018			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
INSURANCE LIABILITIES	**35,083**	**46,574**	**226,684**	**308,310**

	31/12/2017			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
INSURANCE LIABILITIES	**32,912**	**45,865**	**220,918**	**299,696**

6.24 Net deferred profit-sharing

The net deferred profit-sharing is analysed as follows:

(in € millions)	31/12/2018 Differed participation benefits in liabilities (in assets when appropriate)
Deferred participation on revaluation of financial assets at fair value through other comprehensive income and heldging derivatives	**(14,627)**
of which deferred participation on revaluation of financial assets at fair value through other comprehensive income	*(15,519)*
of which deferred participation hedging derivatives	*892*
Deferred participation on financial assets at fair value through profit or loss adjustement	**479**
Other deferred participation	**(2,043)**
TOTAL NET DEFERRED PROFIT-SHARING	**(16,191)**

(in € millions)	**31/12/2017**
Profit-sharing/Remeasurement of assets at FV through profit or loss	(443)
Profit-sharing/Remeasurement of assets at FV through reserves (AFS securities)	(18,255)
Profit-sharing/Other adjustments	(2,780)
TOTAL NET DEFERRED PROFIT-SHARING	**(21,478)**

6.25 Debts arising from insurance or inward reinsurance operations

	31/12/2018			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Fees due	1,336	5	-	1,341
Claims outstanding	65	-	9	74
Cash deposits	-	-	-	-
Co-insurers	-	-	-	-
Other payables on insurance transactions	1,065	-	21	1,086
Expenses charged and unearned deductions	13	-	-	13
TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**2,480**	**5**	**30**	**2,515**

	31/12/2017			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Fees due	1,313	-	-	1,313
Claims outstanding	78	-	7	85
Cash deposits	-	-	-	-
Co-insurers	-	-	-	-
Other payables on insurance transactions	681	-	20	701
Expenses charged and unearned deductions	13	-	-	13
TOTAL PAYABLES ARISING ON DIRECT INSURANCE AND INWARD REINSURANCE OPERATIONS	**2,085**	**-**	**27**	**2,112**

Since 2016, premiums written by some entities of the Group after 30 November have been offset with the corresponding collection, reducing the balance of the items of receivables and payables arising from direct insurance and inward reinsurance operations.

6.26 Debts arising from ceded reinsurance operations

	31/12/2018			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Ceded reinsurance payables	-	-	-	-
Reinsurers'current accounts	206	-	-	206
Ceded deferred acquisition costs	118	-	13	131
Cash deposits	56	496	501	1,052
TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS	**379**	**496**	**514**	**1,389**

	31/12/2017			
(in € millions)	Under 1 year	Between 1 and 5 years	Over 5 years	Total
Ceded reinsurance payables	-	-	-	-
Reinsurers'current accounts	192	-	7	199
Ceded deferred acquisition costs	110	-	9	119
Cash deposits	48	448	453	949
TOTAL PAYABLES ARISING ON CEDED REINSURANCE OPERATIONS	**350**	**448**	**469**	**1,267**

6.27 Other debts

(in € millions)	31/12/2018	31/12/2017
Employee accounts	19	20
Government, social security bodies	350	306
Securities under repurchase agreement	18,181	16,849
Miscellaneous creditors	6,018	5,328
TOTAL OTHER PAYABLES	**24,568**	**22,503**

NOTE 7 Notes to the income statement

7.1 Breakdown of revenue – Revenue by type of line of business

(in € millions)		31/12/2018 France	31/12/2018 International	31/12/2018 Total
	Savings	19,675	5,179	24,854
	Retirement	429	162	591
Savings/Retirement	Retirement savings plans	254	-	254
	Creditor insurance	1,683	529	2,212
	Death & disability	1,174	28	1,202
Protection of individuals	Group insurance	263	-	263
	Non-life insurance	3,938	144	4,082
Property & casualty	Others (personal services, reinsurance)	72	-	72
Others		-	4	4
TOTAL		**27,488**	**6,046**	**33,534**

(in € millions)		31/12/2017 France	31/12/2017 International	31/12/2017 Total
	Savings	18,494	3,725	22,219
	Retirement	540	5	545
Savings/Retirement	Retirement savings plans	389	-	389
	Creditor insurance	1,583	497	2,080
	Death & disability	1,135	23	1,158
Protection of individuals	Group insurance	181	-	181
	Non-life insurance	3,631	148	3,779
Property & casualty	Others (personal services, reinsurance)	72	3	75
Others		-	-	-
TOTAL		**26,025**	**4,401**	**30,426**

7.2 Investment income net of investment expenses

INVESTMENT INCOME NET OF INVESTMENT EXPENSES AS AT 31/12/2018

(in € millions)	31/12/2018
Investment income	**7,335**
Dividends	**667**
Dividends received on equity instruments at fair value through profit or loss	665
Dividends received on equity instruments recognized in non-recyclable equity	2
Interest products	**5,976**
Interest income on financial assets at amortized cost	189
Interest income on financial assets at fair value through equity	5,029
Accrued and overdue interest on hedging instruments	37
Other interests and similar products	722
Other investment income	**692**
Investment expenses	**(370)**
Interest expenses	**(6)**
Interest expense on financial liabilities at amortized cost	-
Accrued and overdue interest on hedging instruments	-
Other interest and similar expenses	(6)
Commission expenses	**(315)**
Other expenses of investments	**(49)**
Capital gains and losses on disposal of investments net of reversals of depreciation and amortization	**41**
Net capital gains and losses on financial assets at amortized cost	**-**
Gains from derecognition of financial assets at amortized cost	-
Losses from derecognition of financial assets at amortized cost	-
Net gains and losses on debt instruments recognized in recyclable equity	**41**
Net gains and losses on the sale of hedging instruments	**-**
Net capital gains and losses on investment properties	**-**
Fair value change in investments recognized at fair value through profit or loss	**(6,702)**
Fair value change in financial assets held for trading	**-**
Fair value change in equity instruments	**(1,451)**
Fair value change of debt instruments that do not meet SPPI criteria	**(1,607)**
Fair value change in assets representing unit-linked contracts	**(3,609)**
Fair value change in financial assets at fair value through option income	**-**
Fair value change of transaction derivative instruments	**(34)**
Result of hedge accounting	**-**
Change in impairments on investments	**(8)**
Change in impairments on healthy assets (*Bucket 1* and *Bucket* 2)	**(7)**
Bucket 1: Losses estimated at the amount of credit losses expected for the next 12 months	(18)
Debt instruments recognized at fair value through recyclable equity	(18)
Debt instruments carried at amortized cost	-
Commitments	-
Bucket 2: Losses Measured at the Expected Lifetime Credit Losses	11
Debt instruments recognized at fair value through recyclable equity	11
Debt instruments carried at amortized cost	-
Commitments	-

(in € millions)	31/12/2018
Change in impairments on impaired assets (*Bucket* 3)	**-**
Bucket 3: Impaired assets	-
Debt instruments recognized at fair value through recyclable equity	-
Debt instruments carried at amortized cost	-
Commitments	-
Changes in depreciation on investment properties	**(1)**
Changes in impairments on other assets	**-**
Amount reclassified as gains and losses recognized directly in equity under the overlay approach	**2,157**
TOTAL INVESTMENT INCOME NET OF EXPENSES	**2,453**

INVESTMENT INCOME NET OF INVESTMENT EXPENSES AS AT 31/12/2017

	31/12/2017					
(in € millions)	Investment income	Investment expenses	Gains and losses on investments net of reversals from provisions	Change in fair value	Change in provisions on investments	Total
Held-to-maturity assets	462	-	-	-	-	462
Available-for-sale assets	5,803	(9)	1,667	(120)	(53)	7,288
Held-for-trading assets	-	-	-	-	-	-
Assets designated at fair value through profit or loss	533	-	-	2,879	-	3,412
Investment property	283	(1)	1	-	(1)	282
Loans and receivables	164	(22)	-	-	-	142
Derivative instruments	28	(41)	-	243	-	230
Investments in equity-consolidated companies	130	-	-	-	-	130
Other	243	(492)	-	-	-	(249)
TOTAL	**7,646**	**(565)**	**1,668**	**3,002**	**(54)**	**11,697**

7.3 Gains and losses from hedge accounting

	31/12/2018			31/12/2017		
(in € millions)	Gains	Losses	Net	Gains	Losses	Net
Fair value hedges	**-**	**-**	**-**	**120**	**(120)**	**-**
Changes in fair value of hedged items attributable to hedged risks	-	-	-	-	(120)	(120)
Changes in fair value of hedging derivatives (including termination of hedges)	-	-	-	120	-	120
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	-	-	-	-	-	-
TOTAL GAINS (LOSSES) FROM HEDGE ACCOUNTING	**-**	**-**	**-**	**121**	**(120)**	**1**

7.4 Information to be provided about the overlay approach

CARRYING AMOUNTOF FINANCIAL ASSETS DESIGNATED TO THE OVERLAY APPROACH BY FINANCIAL ASSET CATEGORIES

(in € millions)	31/12/2018
Equity instruments	17,012
Debt instruments not fullfilling SPPI criteria	17,738
TOTAL FINANCIAL ASSETS DESIGNATED TO THE OVERLAY APPROACH	**34,750**

CALCULATION OF THE AMOUNT RECLASSIFIED FROM PROFIT OR LOSS TO OTHER COMPREHENSIVE INCOME FOR DESIGNATED FINANCIAL ASSETS

	31/12/2018		
(in € millions)	Amount reported for the designated financial assets applying IFRS 9	Amount that would have been reported for the designated financial assets applying IAS 39	Amount reclassified in other comprehensive income applying the overlay approach
Investment income	929	926	(3)
Investment expenses	(10)	(9)	1
Gains (losses) on disposals of investments net of impairment and amortisation reversals	25	405	379
Change in fair value of investments at fair value through profit or loss	(1,828)	-	1,828
Change in impairment on investments	-	(49)	(49)
Investment income after expenses	**(884)**	**1,272**	**2,157**
Claims paid			**(1,866)**
Operating income			**291**
Income tax charge			(147)
NET INCOME GROUP SHARE			**143**

EFFECT OF THE RECLASSIFICATION ON THE NET INCOME

	31/12/2018		
(in € millions)	Amount before reclassification	Amount reclassified in gains or losses directly accounted in other comprehensive income in the frame of the overlay approach	Amount after reclassification
Investment income	7,335	(3)	7,332
Investment expenses	(370)	1	(369)
Gains (losses) on disposals of investments net of impairment and amortisation reversals	41	379	420
Change in fair value of investments at fair value through profit or loss	(6,702)	1,828	(4,874)
Change in impairment on investments	(8)	(49)	(57)
Investments income after expenses (effect on the financial result)	**296**	**2,157**	**2,453**
Claims paid (effect of the profit-sharing)	**(27,685)**	**(1,866)**	**(29,551)**
Operating income	**2,005**	**291**	**2,296**
Income tax change (effect on current and deferred tax)	(376)	(147)	(523)
NET INCOME GROUP SHARE	**1,188**	**143**	**1,331**

Counterparties in the balance sheet of the deferred profit-sharing expense and deferred tax expense on the designated assets are recorded respectively in the deferred participation on revaluation of financial assets at fair value through other comprehensive income and deferred taxes on reserves for unrealised gains or losses.

7.5 Claims expense

(in € millions)	31/12/2018				
	Life insurance contracts	Financial contracts related to IFRS 4	Total life insurance	Non-life insurance contracts	Total
Claims expense	(10,348)	(8,943)	(19,291)	(3,223)	(22,514)
Change in insurance provisions	(10,131)	3,322	(6,809)	(402)	(7,211)
Change in provisions for profit-sharing	(582)	(338)	(920)	-	(920)
Change in provisions for deferred profit-sharing	1,329	-	1,329	-	1,329
Change in provisions for shortfall in liabilities	3	(1)	2	-	2
Change in other technical reserves	(70)	-	(70)	(167)	(237)
CLAIMS EXPENSE	**(19,799)**	**(5,960)**	**(25,759)**	**(3,792)**	**(29,551)**

The change in provisions for deferred profit-sharing is not broken down between life insurance contracts and financial contracts related to IFRS 4.

(in € millions)	31/12/2017				
	Life insurance contracts	Financial contracts related to IFRS 4	Total life insurance	Non-life insurance contracts	Total
Claims expense	(10,649)	(9,090)	(19,739)	(2,895)	(22,634)
Change in insurance provisions	(11,082)	1,413	(9,668)	(367)	(10,035)
Change in provisions for profit-sharing	(1,079)	(821)	(1,900)	-	(1,900)
Change in provisions for deferred profit-sharing	(1,008)	-	(1,008)	-	(1,008)
Change in provisions for shortfall in liabilities	(4)	-	(4)	-	(4)
Change in other technical reserves	(9)	1	(9)	(287)	(296)
CLAIMS EXPENSE	**(23,831)**	**(8,497)**	**(32,328)**	**(3,549)**	**(35,877)**

The change in provisions for deferred profit-sharing is not broken down between life insurance contracts and financial contracts related to IFRS 4.

7.6 Management expenses

BREAKDOWN BY DESTINATION

	31/12/2018					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Acquisition costs or similar [1]	(574)	(614)	(244)	(676)	-	(2,108)
Claim management expenses [2]	(4)	(318)	(9)	(8)	-	(340)
Investment management expenses [3]	(25)	(5)	(73)	(4)	-	(107)
Administration expenses	(1,346)	(233)	(72)	(12)	-	(1,663)
Other technical expenses [4]	(33)	(58)	(4)	(4)	-	(98)
Other non-technical expenses [4]	2	3	(2)	(10)	(277)	(284)
TOTAL MANAGEMENT EXPENSES	**(1,980)**	**(1,224)**	**(404)**	**(715)**	**(277)**	**(4,601)**

(1) excluding the change in deferred acquisition costs totalling €53 million
(2) presented in the income statement in the "Claims expenses" line
(3) presented in the income statement in the "Investment expenses" line
(4) presented in the income statement in the "Other current operating income and expenses" line.

	31/12/2017					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Acquisition costs or similar	(564)	(585)	(214)	(617)	-	(1,980)
Claim management expenses	(16)	(304)	(11)	(6)	-	(337)
Investment management expenses	(29)	(5)	(53)	-	-	(87)
Administration expenses	(1,322)	(243)	(61)	(36)	(175)	(1,837)
Other technical expenses	(55)	(46)	(3)	(7)	-	(111)
Other non-technical expenses	(1)	(2)	(3)	-	(66)	(72)
TOTAL MANAGEMENT EXPENSES	**(1,987)**	**(1,185)**	**(345)**	**(666)**	**(241)**	**(4,424)**

(1) Excluding the change in deferred acquisition costs totalling €64 million.
(2) Presented in the income statement in the "Claims expenses" line.
(3) Presented in the income statement in the "Investment expenses" line.
(4) Presented in the income statement in the "Other current operating income and expenses" line.

BREAKDOWN BY NATURE

	31/12/2018					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Staff expenses	(6)	(62)	(29)	(9)	(202)	(308)
Fees	(1,798)	(1,072)	(325)	(678)	-	(3,873)
Taxes	(85)	(23)	(5)	(5)	(9)	(128)
Other	(90)	(67)	(44)	(24)	(66)	(291)
TOTAL MANAGEMENT EXPENSES	**(1,979)**	**(1,224)**	**(404)**	**(715)**	**(277)**	**(4,600)**

	31/12/2017					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Staff expenses	(24)	(63)	(26)	(16)	(171)	(300)
Fees	(1,751)	(1,034)	(278)	(618)	-	(3,681)
Taxes	(86)	(25)	(4)	(3)	(24)	(142)
Other	(126)	(63)	(37)	(29)	(47)	(302)
TOTAL MANAGEMENT EXPENSES	**(1,987)**	**(1,185)**	**(345)**	**(666)**	**(242)**	**(4,425)**

7.7 Fees paid to statutory auditors

The distribution by firm and by type of mission of these fees recognized in result 2018 is given below:

College of Auditors of Crédit Agricole Assurances S.A.

	Ernst & Young [1]		PWC [1]		
(in € millions excluding taxes)	2018	2017	2018	2017	Total 2018
Independant audit, certification, review of parent company and consolidated financial statements	1.5	1.6	2.7	2.7	4.2
Crédit Agricole Assurances S.A.	*0.4*	*0.4*	*0.4*	*0.4*	*0.8*
Fully consolidated subsidiaries	*1.1*	*1.2*	*2.3*	*2.3*	*3.4*
Non audit services	0.8	0.7	0.7	0.4	1.5
Crédit Agricole Assurances S.A.	*0.1*	*-*	*0.1*	*-*	*0.2*
Fully consolidated subsidiaries	*0.7*	*0.7*	*0.6*	*0.4*	*1.3*
TOTAL	**2.3**	**2.3**	**3.4**	**3.1**	**5.7**

(1) Statutory auditors of consolidating entity (CAA).

Total fees of Ernst & Young et Autres, as recorded within the consolidated income statement as of 31 December 2018 and for the year then ended, are €1.5 million, including €1.2 million for the audit of the financial statements of Crédit Agricole Assurances and its French subsidiaries, and €0.3 million for non-audit services (comfort letters, report on the distribution of interim dividends, and work related to the first time application of IFRS 9).

Total fees of PricewaterhouseCoopers Audit, as recorded within the consolidated income statement as of 31 December 2018 and for the year then ended, are €2.1 million, including €1.8 million for the audit of the financial statements of Crédit Agricole Assurances and its French subsidiaries, and €0.3 million for non-audit services (including comfort letters, report on the distribution of interim dividends, and work related to the first time application of IFRS 9).

7.8 Net income or expenses from ceded reinsurance

	31/12/2018					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Premiums ceded and unearned premiums ceded	(176)	(205)	(155)	(127)	-	(662)
Claims ceded	120	164	38	30	-	352
Other technical reserves ceded	38	-	-	-	-	38
Commissions received from reinsurers	24	11	78	70	-	183
EXPENSES OR INCOME NET OF CEDED REINSURANCE	**6**	**(30)**	**(39)**	**(27)**	**-**	**(89)**

A decompensation of €56 million between reinsurance income and expenses has been recorded in 2018 by the Japanese entity.

	31/12/2017					
(in € millions)	Life	Non-life	International	Creditor Insurance	Other	Total
Premiums ceded and unearned premiums ceded	(155)	(189)	(97)	(137)	-	(578)
Claims ceded	108	113	25	44	-	290
Other technical reserves ceded	40	-	-	-	-	40
Commissions received from reinsurers	12	10	28	69	-	119
EXPENSES OR INCOME NET OF CEDED REINSURANCE	**5**	**(66)**	**(44)**	**(24)**	**-**	**(129)**

7.9 Income tax

7.9.1 BREAKDOWN OF TOTAL TAX EXPENSE BETWEEN CURRENT AND DEFERRED TAX

(in € millions)	31/12/2018
Current tax charge	(539)
Deferred tax charge	163
Reclassification of current tax charge (income) related to overlay approach	(148)
TOTAL TAX CHARGE	**(523)**

(in € millions)	31/12/2017
Current tax charge	(388)
Deferred tax charge	(74)
TOTAL TAX CHARGE	**(462)**

The entities CACI life and CACI Non life are two consolidated Irish entities in the Crédit Agricole Assurances Group. Both have an italian branch. Following a mission to review the establishment of italian tax bundles, the Crédit Agricole Assurances Group has identified that some italian tax rules were not correctly applied. Thus CACI life and CACI Non life have submitted:

- amended tax bundles for the years 2013 to 2016;
- a tax bundle 2017 according to the Italian standard method.

The impact of these corrections of -€43 million was recorded in tax expense in 2018.

7.9.2 TAX PROOF

(in € millions)	31/12/2018	31/12/2017
Pre-tax income, goodwill impairment and share of net income of associates and joint ventures	**1,640**	**1,570**
Theoretical tax rate [1]	34.43%	34.43%
Theoretical tax charge	**(565)**	**(540)**
Impact of permanent differences	(45)	(14)
Impact of different tax rates on foreign subsidiaries	34	17
Impact of losses for the year, utilisation of tax loss carryforwards and temporary differences	(4)	24
Impact of reduced tax rate	51	131
Impact of other items	4	(80)
Effective tax charge	**(524)**	**(462)**
EFFECTIVE TAX RATE (%)	**31.95%**	**29.43%**

(1) The theoretical tax rate is the tax rate applicable under ordinary law (including the additional social contribution and the exceptional contribution to corporate income tax) profits taxable in France at 31 December 2018.

NOTE 8 Employee benefits and other compensation

8.1 Headcount of the period

Average number of employees	31/12/2018	31/12/2017
France	2,543	2,497
International	456	449
TOTAL	**2,999**	**2,946**

8.2 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.

Accordingly, Crédit Agricole Assurances Group companies have no liability in this respect other than their contributions payable.

Within the Group, there are several compulsory defined contribution pension plans, the main ones being Agirc/Arrco, which are French supplementary retirement plans, and some supplementary plans:

		Number of employees covered [1]	
Entities	**Compulsory supplementary pension plans**	**Estimate at 31/12/2018**	**Estimate at 31/12/2017**
CAAS/Pacifica/La Médicale	Agricultural sector plan	2,673	2,597
CAAS/Pacifica/La Médicale	"Article 83" (of the French Tax Code) plan	62	66

(1) Number of employees on the payroll

8.3 Post employment benefits, defined benefit plans

CHANGE IN ACTUARIAL LIABILITY

(in € millions)	31/12/2018	31/12/2017
Actuarial liability at beginning of period	**65**	**61**
Foreign exchange differences	-	-
Current service cost during the period	5	4
Financial cost	1	1
Employee contributions	-	-
Benefit plan changes, withdrawals and settlement	-	1
Change in scope	(1)	(2)
Benefits paid	(2)	(1)
Taxes, administrative expenses and bonuses	-	-
Actuarial gains or losses arising from changes in demographic assumptions	-	1
Actuarial gains or losses arising from changes in financial assumptions	-	-
ACTUARIAL LIABILITY AT END OF PERIOD	**68**	**65**

BREAKDOWN OF CHARGE RECOGNISED IN THE INCOME STATEMENT

(in € millions)	31/12/2018	31/12/2017
Service cost	5	6
Net interest income (expense)	-	-
IMPACT IN PROFIT AND LOSS	**5**	**6**

BREAKDOWN OF CHARGE RECOGNISED IN OTHER COMPREHENSIVE INCOME THAT WILL NOT BE RECLASSIFIED TO PROFIT AND LOSS

(in € millions)	31/12/2018	31/12/2017
Revaluation from net liabilities (from net assets)	-	-
Total amount of cumulative actuarial differences in other comprehensive income items that will not be reclassified to profit and loss	2	11
Foreign exchange differences	-	-
Actuarial gains or losses on assets	-	-
Actuarial gains or losses arising from changes in demographic assumptions [1]	-	1
Actuarial gains or losses arising from changes in financial assumptions [1]	-	-
Adjustments in impact of restriction on assets	-	-
TOTAL ITEMS RECOGNISED IMMEDIATELY IN OTHER COMPREHENSIVE INCOME ITEMS	**2**	**1**

(1) o/w actuarial gains/losses related to experience adjustment

NET FINANCIAL POSITION

(in € millions)	31/12/2018	31/12/2017
Actuarial liability at end of period	68	65
Impact of asset restriction	-	-
Fair value of plan assets	(1)	-
NET FINANCIAL POSITION AT END OF PERIOD	**67**	**65**

DEFINED-BENEFIT PLANS: MAIN ACTUARIAL ASSUMPTIONS

(in € millions)	31/12/2018	31/12/2017
Discount rate [1]	1%-1.42%	0.89%-1.63%
Actual return on plan assets and on reimbursement rights	1%-1.42%	0.91%-1.38%
Expected salary increase rates [2]	1.5%-2%	1.5%-3.25%
Rate of change in medical costs	-	-

(1) Discount rates are determined as a function of the average duration of the commitment that is the arithmetic average of durations calculated between the assessment date and the payment date weighted by assumptions of staff turnover.

(2) Depending on the types of employee concerned (management or non-management grade)

INFORMATION OF PLAN ASSETS – ASSETS ALLOCATION

	31/12/2018		
	Eurozone		
(in € millions)	%	Amount	o/w listed
Equities	9.2%	3	3
Bonds	77.8%	27	27
Real estate	7.1%	2	-
Other assets	6.0%	2	-

8.4 Other employee benefits

Among the various collective variable compensation plans within the Group, the Rémunération variable collective (RVC), is a global plan encompassing the discretionary incentive scheme and the compulsory profit-sharing scheme. The amount is calculated based on the company's performance, measured through the net income Group share of Crédit Agricole Assurances

A given level of net income Group share allows determination of a percentage of the total payroll to be distributed.

The amount of the profit-sharing component is calculated in accordance with the standard legal formula and is deducted from the total RVC to obtain the amount of the discretionary incentive entitlement.

Other employee benefits: in France, the Group's main entities pay long-service awards. The amounts vary according to practices and collective bargaining agreements.

8.5 Senior executive compensation

Senior executives include all members of the Executive Committee of Crédit Agricole Assurances: the Chief Executive Officer of Crédit Agricole Assurances and the Chief Executive Officers of the main subsidiaries and the heads of the Group's core business activities.

Compensation and benefits paid by Crédit Agricole Assurances Group to the members of the Executive Committee in 2018 were as follows:

- short-term benefits: €7.58 million with respect to fixed and variable compensation components including social security expenses and benefits in kind;
- post-employment benefits: no end-of-career benefits were paid but €0.16 million was paid under the supplementary pension plan for Group Senior Executive Officers;
- other long-term benefits: not applicable;
- termination benefits: not applicable;
- share-based payments: not applicable.

The members of the Board of Directors of Crédit Agricole Assurances perceived in 2018 a total of 68,000 euros in attendance fees under their mandate to Crédit Agricole Assurances.

NOTE 9 Commitments given and received

(in € millions)	31/12/2018	31/12/2017
COMMITMENTS RECEIVED	**914**	**1,508**
Financing commitments	-	-
Guarantee commitments	142	160
Securities commitments	772	1,348
Securities to be delivered	772	1,348
COMMITMENTS GIVEN	**1,372**	**1,334**
Financing commitments	-	-
Guarantee commitments	1,000	1,000
Securities commitments	372	334
Securities to be received	372	334

Commitments given mainly consist of pledges of securities given to ceding companies. These pledges are aimed at covering the theoretical commitments accepted by Crédit Agricole Assurances under existing reinsurance treaties.

NOTE 10 Consolidation scope

Restrictions on controlled entities

Regulatory, legal or contractual provisions can limit the ability of Crédit Agricole Assurances to access the assets of its subsidiaries and to settle liabilities of Crédit Agricole Assurances.

REGULATORY CONSTRAINTS

The subsidiaries of Crédit Agricole Assurances 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 Assurances Group.

LEGAL CONSTRAINTS

The subsidiaries of Crédit Agricole Assurances 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 most cases, these are less restrictive than the regulatory limitations mentioned above.

RESTRICTION ON ASSETS BACKING UNIT-LINKED CONTRACTS

Assets of the insurance subsidiaries 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.

Financial support provided to controlled structured entities

Crédit Agricole Assurances provided no financial support for any structured entities consolidated at 31 December 2018.

Non-controlling interests

No subsidiary has been identified with significant amount of non-controlling interests in relation to the total equity of the Group or of the sub-group level or of which the total balance sheet held by non-controlling interests is significant.

Scope of consolidation evolution

In 2018, the companies Iris Holding, B Immobilier, SH Predica sustainable Energies SAS, Predirungis, holding Euromarseille and Predica energies have entered the perimeter of consolidation by global integration and 15 new entities by equity method: SAS Holding, SCI Euromarseille 1, SCI Euromarseille 2, Sci Heart of La Défense, Frey retail Villebon, SAS Cristal, Sci Street BAC, SCI Washington, SCI Tower Merle, SCI Carpe Diem, SCI Fonda, SCI Islet 13, SCI 1 Terrace Bellini, SCI Wagram 22/30 and Arcapark.

As at 31 December 2018, 135 Unit-linked funds are consolidated, representing €6,558 million of non-controlling interests recognised in the item line "Liabilities towards holders of units in consolidated mutual funds" in the balance sheet liabilities.

Breakdown of consolidation scope

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
Parent company						
CRÉDIT AGRICOLE ASSURANCES	France	Full	100%	100%	100%	100%
Holdings						
CREDIT AGRICOLE CREDITOR INSURANCE	France	Full	100%	100%	100%	100%
SPACE HOLDING	Ireland	Full	100%	100%	100%	100%
SPACE LUX	Luxembourg	Full	100%	100%	100%	100%
Insurance companies						
PREDICA	France	Full	100%	100%	100%	100%
LA MEDICALE DE FRANCE	France	Full	100%	100%	100%	100%
PACIFICA	France	Full	100%	100%	100%	100%
CALIE	Luxembourg	Full	94%	94%	94%	94%
SPIRICA	France	Full	100%	100%	100%	100%
GNB SEGUROS (en français : Anciennement BES SEGUROS)	Portugal	Full	75%	75%	50%	50%
CA VITA	Italy	Full	100%	100%	100%	100%
FINAREF RISQUES DIVERS	France	Full	100%	100%	100%	100%
FINAREF VIE	France	Full	100%	100%	100%	100%
CACI LIFE	Ireland	Full	100%	100%	100%	100%
CACI NON LIFE	Ireland	Full	100%	100%	100%	100%
CA LIFE JAPAN	Japan	Full	100%	100%	100%	100%
CA ASSICURAZIONI	Italy	Full	100%	100%	100%	100%
CA LIFE GREECE	Greece	Full	100%	100%	100%	100%
ASSUR&ME	France	Full	100%	100%	100%	100%
Reinsurance companies						
CACI REINSURANCE	Ireland	Full	100%	100%	100%	100%
Services companies						
VIAVITA	France	Full	100%	100%	100%	100%
CACI GESTION	France	Not consolidated	0%	0%	100%	100%
RAMSAY – GENERALE DE SANTE	France	Equity method	38%	38%	38%	38%
INFRA FOCH TOPCO	France	Equity method	49%	49%	37%	37%
ALTAREA	France	Equity method	25%	25%	25%	25%
KORIAN	France	Equity method	23%	23%	23%	23%
FREY	France	Equity method	19%	19%	18%	18%
FONCIERE HYPERSUD	France	Equity method	51%	51%	51%	51%
CRÉDIT AGRICOLE ASSURANCES SOLUTIONS	France	Full	100%	100%	100%	100%
ICADE	France	Equity method	18%	18%	18%	18%
PATRIMOINE ET COMMERCE	France	Equity method	20%	20%	20%	20%
PREDIPARK	France	Full	100%	100%	100%	100%
SA RESICO	France	Full	100%	100%	100%	100%
EMI1 (EUROPEAN MOTORWAY INVESTMENTS 1)	Luxembourg	Full	60%	60%	60%	60%
IRIS HOLDING FRANCE	France	Full	80%	80%	0%	0%
SH PREDICA ENERGIES DURABLES SAS	France	Full	100%	100%	0%	0%
B IMMOBILIER	France	Full	100%	100%	0%	0%
HOLDING EUROMARSEILLE	France	Full	100%	100%	0%	0%

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
SAS PARHOLDING	France	Equity method	50%	50%	0%	0%
PREDICA ENERGIE DURABLE	France	Full	100%	100%	0%	0%
SAS CRISTAL	France	Equity method	46%	46%	0%	0%
ARCAPARK SAS	France	Equity method	50%	50%	0%	0%
PREDIRUNGIS	France	Full	85%	85%	0%	0%
UCITS						
FEDERVAL FCP	France	Full	100%	100%	100%	100%
GRD 2 FCP	France	Full	100%	100%	100%	100%
GRD 3 FCP	France	Full	100%	100%	100%	100%
GRD 4 FCP	France	Not consolidated	0%	0%	100%	100%
GRD 5 FCP	France	Full	100%	100%	100%	100%
GRD 7 FCP	France	Full	100%	100%	100%	100%
GRD 10 FCP	France	Full	100%	100%	100%	100%
GRD 12 FCP	France	Full	100%	100%	100%	100%
GRD 14 FCP	France	Full	100%	100%	100%	100%
GRD 16 FCP	France	Not consolidated	0%	0%	100%	100%
GRD 17 FCP	France	Full	100%	100%	100%	100%
GRD 18 FCP	France	Full	100%	100%	100%	100%
GRD 19 FCP	France	Full	100%	100%	100%	100%
GRD 20 FCP	France	Full	100%	100%	100%	100%
GRD 11 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A1 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A2 FCP	France	Full	100%	100%	100%	100%
PREDIQUANT A3 FCP	France	Full	100%	100%	100%	100%
BFT OPPORTUNITES FCP	France	Full	100%	100%	100%	100%
CA-EDRAM OPPORTUNITES FCP 3DEC	France	Full	100%	100%	100%	100%
FCPR PREDICA 2005 PART A	France	Full	100%	100%	100%	100%
FCPR PREDICA 2006 PART A	France	Full	100%	100%	100%	100%
FCPR PREDICA 2007 A 3DEC	France	Full	100%	100%	100%	100%
FCPR PREDICA 2007 C2	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 A1	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 COMP BIS A2	France	Full	100%	100%	100%	100%
FCPR PREDICA 2008 COMPAR TER A3	France	Full	100%	100%	100%	100%
FCPR ROOSEVELT INVESTISSEMENT PARTS A	France	Full	100%	100%	100%	100%
GRD 8 FCP	France	Full	100%	100%	100%	100%
GRD 9 FCP	France	Full	100%	100%	100%	100%
FCPR PREDICA 2010 A1	France	Full	100%	100%	100%	100%
FCPR PREDICA 2010 A2	France	Full	100%	100%	100%	100%
FCPR PREDICA 2010 A3	France	Full	100%	100%	100%	100%
FCPR PREDICA INFR 2006-2007 A	France	Full	100%	100%	94%	94%
FCPR PREDICA SECONDAIRE I PART A	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRE I PART B	France	Full	100%	100%	100%	100%
PREDIQUANT OPPORTUNITES	France	Full	100%	100%	100%	100%
PREDIQUANT STRATEGIES	France	Not consolidated	0%	0%	100%	100%
FCPR CAA COMPARTIMENT 1 PART A1	France	Full	100%	100%	100%	100%

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
FCPR CAA COMPART BIS PART A2	France	Full	100%	100%	100%	100%
FCPR CAA COMP TER PART A3	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRES II A	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRES II B	France	Full	100%	100%	100%	100%
FCPR UI CAP SANTE A	France	Full	100%	100%	100%	100%
CAA FRANCE CROISSANCE 2 A FCPR	France	Full	100%	100%	100%	100%
CAA PRIV. FINANC. COMP. 1 A1 FIC	France	Full	100%	100%	100%	100%
CAA PRIV. FINANC. COMP. 2 A2 FIC	France	Full	100%	100%	100%	100%
FCPR UI CAP AGRO	France	Full	100%	100%	100%	100%
FCPR CAA 2013	France	Full	100%	100%	100%	100%
FCPR PREDICA SECONDAIRE III A	France	Full	100%	100%	100%	100%
OBJECTIF LONG TERME	France	Full	100%	100%	100%	100%
CAA 2013 FCPR B1	France	Full	100%	100%	100%	100%
CAA 2013 FCPR C1	France	Full	100%	100%	100%	100%
CAA 2013 FCPR D1	France	Full	100%	100%	100%	100%
CAA 2013 COMPARTIMENT 5 A5	France	Full	100%	100%	100%	100%
CAA 2013-3	France	Full	100%	100%	100%	100%
LRP – CPT JANVIER 2013 0.30 13-21 11/01A	Luxembourg	Full	84%	84%	84%	84%
AMUNDI GRD 22 FCP	France	Full	100%	100%	100%	100%
GRD 13 FCP	France	Full	100%	100%	100%	100%
GRD 21 FCP	France	Full	100%	100%	100%	100%
GRD 23	France	Not consolidated	0%	0%	100%	100%
CAA 2013-2	France	Full	100%	100%	100%	100%
CAA 2014 COMPARTIMENT 1 PART A1	France	Full	100%	100%	100%	100%
CAA 2014 INVESTISSMENT PART A3	France	Full	100%	100%	100%	100%
FCT MID CAP 2 05/12/22	France	Full	100%	100%	100%	100%
FCT CAREPTA – COMPARTIMENT 2014-1	France	Full	100%	100%	100%	100%
FCT CAREPTA – COMPARTIMENT 2014-2	France	Full	100%	100%	100%	100%
CORSAIR 1.5255% 25/04/35	Ireland	Full	100%	100%	100%	100%
AGRICOLE RIVAGE DETTE	France	Full	100%	100%	100%	100%
CAA 2015 CPT 1	France	Full	100%	100%	100%	100%
CAA 2015 CPT 2	France	Full	100%	100%	100%	100%
CAREPTA RE-2015 –1	France	Full	100%	100%	100%	100%
ARTEMID	France	Full	100%	100%	100%	100%
F CORE EU CR 19 MM	France	Full	44%	44%	44%	44%
CA VITA PRIVATE EQUITY CHOISE PARTS PART A	France	Full	100%	100%	100%	100%
CA VITA INFRASTRUCTURE CHOISE FIPS c.l. A	France	Full	100%	100%	100%	100%
IAA CROISSANCE INTERNATIONALE	France	Full	100%	100%	100%	100%
CAREPTA 2016	France	Full	100%	100%	100%	100%
CAA 2016	France	Full	100%	100%	100%	100%
CAA INFRASTRUCTURE	France	Full	100%	100%	100%	100%
CA VITA PRIVATE DEBT CHOICE FIPS cl.A	France	Full	100%	100%	100%	100%
CAA SECONDAIRE IV	France	Full	100%	100%	100%	100%
FCT BRIDGE 2016-1	France	Full	100%	100%	100%	100%
CAREPTA R 2016	France	Full	100%	100%	100%	100%

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Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
FCT CAREPTA 2-2016	France	Full	100%	100%	100%	100%
PREDIQUANT EUROCROISSANCE A2	France	Full	100%	100%	100%	100%
FPCI COGENERATION FRANCE I	France	Full	100%	100%	100%	100%
CORS FIN 1.52 10-38	Ireland	Full	100%	100%	100%	100%
PURPLE PR 1.36 10-38	Luxembourg	Full	100%	100%	100%	100%
CORS FIN 251038	Luxembourg	Full	100%	100%	100%	100%
CORS FINA FLR 1038 serie 145	Ireland	Full	100%	100%	100%	100%
CORS FINA FLR 1038 serie 146	Ireland	Full	100%	100%	100%	100%
PURP PR 1.093 10-38	Luxembourg	Full	100%	100%	100%	100%
CAA INFRASTRUCTURE 2017	France	Full	100%	100%	100%	100%
CAA PE 2017 (CAA PRIVATE EQUITY 2017)	France	Full	100%	100%	100%	100%
CAA PE 2017 BIS (CAA PRIVATE EQUITY 2017 BIS)	France	Full	100%	100%	100%	100%
CAA PE 2017 France INVESTISSEMENT (CAA PRIVATE EQUITY 2017 MEZZANINE)	France	Full	100%	100%	100%	100%
CAA PE 2017 MEZZANINE (CAA PRIVATE EQUITY 2017 MEZZANINE)	France	Full	100%	100%	100%	100%
CAA PE 2017 TER CONSO (CAA PRIVATE EQUITY 2017 TER)	France	Full	100%	100%	100%	100%
GRD 44	France	Full	100%	100%	100%	100%
GRD 44 N2	France	Full	100%	100%	100%	100%
GRD 54	France	Full	100%	100%	100%	100%
UI CAP SANTE 2	France	Full	100%	100%	100%	100%
CAA PR FI II C1 A1	France	Full	100%	100%	100%	100%
Effithermie	France	Full	89%	89%	89%	89%
FCT CAA 2017-1	France	Full	100%	100%	100%	100%
Prediquant Premium	France	Full	100%	100%	100%	100%
GRD44 n°3	France	Full	100%	100%	100%	100%
CAA INFRASTRUCTURE 2018 – COMPARTIMENT 1	France	Full	100%	100%	0%	0%
COMPARTIMENT DS3 – IMMOBILIER VAUGIRARD	France	Full	100%	100%	0%	0%
CAA PRIVATE EQUITY 2018 – COMPARTIMENT FRANCE INVESTISSEMENT	France	Full	100%	100%	0%	0%
COMPARTIMENT DS3 – VAUGIRARD	France	Full	100%	100%	0%	0%
CAA PRIVATE EQUITY 2018 – COMPARTIMENT 1	France	Full	100%	100%	0%	0%
AM DESE FIII DS3IMDI	France	Full	100%	100%	0%	0%
BFT VALUE PREM OP CD	France	Full	100%	100%	0%	0%
Unit-linked funds						
LCL TRIPLE HORIZON A	France	Not consolidated	0%	0%	100%	100%
ACTICCIA VIE	France	Full	99%	99%	99%	99%
OPTALIME FCP 3DEC	France	Full	99%	99%	99%	99%
CA MASTER PATRIM.3D	France	Full	98%	98%	98%	98%
CA MASTER EUROPE 3D	France	Full	47%	47%	47%	47%
VENDOME INVEST.3DEC	France	Full	90%	90%	90%	90%
GRD IFC 97 3D	France	Full	100%	100%	100%	100%
GRD FCR 99 3DEC	France	Full	100%	100%	100%	100%
OBJECTIF PRUDENCE	France	Full	81%	81%	100%	100%
OBJECTIF DYNAMISME	France	Full	99%	99%	100%	100%
GRD CAR 39	France	Full	100%	100%	100%	100%

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Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
OBJECTIF MEDIAN	France	Full	100%	100%	92%	92%
ANTINEA	France	Full	52%	52%	66%	66%
MDF 89	France	Full	100%	100%	100%	100%
AM.PULSACTIONS 3D	France	Full	58%	58%	58%	58%
LCL ALLOC.DYNAM.3D	France	Full	95%	95%	95%	95%
ATOUT FRANCE-C-3DEC	France	Full	42%	42%	42%	42%
ATOUT EUROPE -C-3D	France	Full	82%	82%	82%	82%
ATOUT MONDE -C-3DEC	France	Not consolidated	0%	0%	89%	89%
CPR CONSOM ACT P 3D	France	Full	52%	52%	51%	51%
RSD 2006 3DEC	France	Full	100%	100%	100%	100%
LCL MG.FL.0-100 3D	France	Full	80%	80%	81%	81%
LCL MGEST 60 3 DEC	France	Full	85%	85%	85%	85%
INVEST RESP S3 3D	France	Full	70%	70%	64%	64%
ATOUT PREM'S ACT.3D	France	Full	99%	99%	99%	99%
AM.AFD AV.D.P1 3D	France	Full	79%	79%	75%	75%
RAVIE	France	Full	100%	100%	100%	100%
ENIUM 3D	France	Not consolidated	0%	0%	100%	100%
ECOFI MULTI OPP.3D	France	Full	84%	84%	81%	81%
LCL FLEX 30	France	Full	51%	51%	63%	63%
AXA EUR.SM.CAP E 3D	France	Full	71%	71%	70%	70%
PREF REND ECHU-C	France	Not consolidated	0%	0%	100%	100%
PREF R EX ECHU-C	France	Not consolidated	0%	0%	100%	100%
CPR SILVER AGE P 3D	France	Full	50%	50%	45%	45%
EXPANSIA VIE 3D	France	Not consolidated	0%	0%	100%	100%
LVOCRDM 8F10 AE	France	Not consolidated	0%	0%	100%	100%
EXPANSIA VIE 2 FCP	France	Full	99%	99%	100%	100%
LCL D.CAPT.JU.10 3D	France	Not consolidated	0%	0%	87%	87%
EXPANSIA VIE 3 3D	France	Full	99%	99%	100%	100%
LCL F.S.AV.(S.10) 3D	France	Full	99%	99%	100%	100%
EXPANSIA VIE 4 3D	France	Full	100%	100%	100%	100%
CPR REFL SOLID P 3D	France	Full	86%	86%	55%	55%
CPR REFL SOLID 3D	France	Full	97%	97%	96%	96%
SONANCE VIE 3DEC	France	Full	100%	100%	100%	100%
LCL FSF.AV(F.11) 3D	France	Full	100%	100%	100%	100%
IND.CAP EMERG.-C-3D	France	Full	81%	81%	89%	89%
LCL F.S.F.AV.11 3D	France	Full	100%	100%	100%	100%
SONANCE VIE 2 3D	France	Full	100%	100%	100%	100%
OPALIA VIE 2 3D	France	Not consolidated	0%	0%	100%	100%
SONANCE VIE 3 3D	France	Full	100%	100%	100%	100%
OPALIA VIE 3 3D	France	Not consolidated	0%	0%	100%	100%
OPCIMMO -PREM O.-5D	France	Full	93%	93%	93%	93%
OPCIMMO -LCL OP.-5D	France	Full	94%	94%	94%	94%
CPR RE.S.0-100 P 3D	France	Full	100%	100%	100%	100%
CPR R.ST.0-100E.0-1	France	Full	100%	100%	100%	100%
SONANCE VIE 4 3D	France	Full	100%	100%	100%	100%

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Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
AMUNDI PATRIMOINE C	France	Full	84%	84%	84%	84%
SONANCE VIE 5 3D	France	Full	100%	100%	100%	100%
DNA 0%12-240418 INDX	Luxembourg	Not consolidated	0%	0%	80%	80%
DNA 0% 23/07/18 EMTN INDX	Luxembourg	Not consolidated	0%	0%	79%	79%
DNA 0% 27/06/18 INDX	Luxembourg	Not consolidated	0%	0%	82%	82%
SELECTANCE 2017 3D	France	Not consolidated	0%	0%	100%	100%
SONANCE VIE 6 3D	France	Full	100%	100%	100%	100%
LCL VOCATION RENDEMENT NOV 12 3D	France	Full	80%	80%	80%	80%
DNA 0% 07/02/19 EMTN	Luxembourg	Full	71%	71%	71%	71%
DNA 0% 12-211220	Luxembourg	Not consolidated	0%	0%	89%	89%
SOLIDARITE IN SANTE	France	Full	85%	85%	86%	86%
SONANCE VIE 7 3D	France	Full	97%	97%	97%	97%
SONANCE VIE N8 3D	France	Full	99%	99%	99%	99%
AM GLOB. M MUL ASS P	France	Full	68%	68%	71%	71%
SONANCE VIE N9 C 3D	France	Full	98%	98%	98%	98%
AMUNDI EQ E IN AHEC	Luxembourg	Full	29%	29%	45%	45%
UNIPIERRE ASSURANCE (SCPI)	France	Full	100%	100%	100%	100%
SCI VICQ D'AZIR VELL	France	Full	100%	100%	100%	100%
ATOUT VERT HOR.3DEC	France	Full	35%	35%	36%	36%
LCL DEVELOPPEM.PME C	France	Full	69%	69%	71%	71%
LCL T.H. AV(04/14) C	France	Not consolidated	0%	0%	100%	100%
ACTICCIA VIE N2 C	France	Full	99%	99%	99%	99%
AF INDEX EQ USA A4E	Luxembourg	Full	91%	91%	84%	84%
AF INDEX EQ JAPAN AE CAP	Luxembourg	Full	21%	21%	42%	42%
LCL ACT.USA ISR 3D	France	Full	53%	53%	52%	52%
ARC FLEXIBOND-D	France	Full	53%	53%	56%	56%
ACTIONS 50 3DEC	France	Full	100%	100%	100%	100%
LCL ACT.IMMOBI.3D	France	Full	49%	49%	48%	48%
LCL AC.DEV.DU.EURO	France	Full	69%	69%	58%	58%
LCL AC.EMERGENTS 3D	France	Full	55%	55%	51%	51%
LCL FDS ECH.MONE.3D	France	Not consolidated	0%	0%	83%	83%
ARAMIS PATRIM D 3D	France	Not consolidated	0%	0%	43%	43%
LCL DOUBLE HORIZON AV (NOV.2014)	France	Full	100%	100%	100%	100%
LCL TRIPLE HORIZON AV (09 2014)	France	Not consolidated	0%	0%	100%	100%
ACTICCIA VIE 3	France	Full	99%	99%	99%	99%
LCL PREM VIE 2/4 C	France	Full	95%	95%	95%	95%
AMUN.TRES.EONIA ISR E FCP 3DEC	France	Full	61%	61%	91%	90%
AMUNDI TRANSM PAT C	France	Full	98%	98%	100%	100%
TRIANANCE 6 ANS	France	Full	62%	62%	62%	62%
ACTICCIA VIE N4	France	Full	100%	100%	99%	99%
LCL TRIPLE HORIZON AV (JANV. 201	France	Not consolidated	0%	0%	100%	100%
AMUNDI ACTIONS FRANCE C 3DEC	France	Full	68%	68%	78%	78%
LCL TRIPLE TEMPO AV (FEV.2015)	France	Full	100%	100%	100%	100%
AMUNDI VALEURS DURAB	France	Full	71%	71%	63%	63%
CPR OBLIG 12 M.P 3D	France	Full	89%	89%	66%	66%

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Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
AMUNDI HORIZON 3D	France	Full	66%	66%	66%	66%
ACTICCIA VIE 90 C	France	Full	100%	100%	100%	100%
LCL ACTIONS EURO C	France	Full	82%	82%	82%	82%
LCL PREMIUM VIE 2015	France	Full	95%	95%	95%	95%
AF EQUI.GLOB.AHE CAP	Luxembourg	Full	52%	52%	91%	91%
LCL ACT.E-U ISR 3D	France	Full	55%	55%	43%	43%
AMUNDI OBLIG EURO C	France	Full	48%	48%	46%	46%
CPR RENAI.JAP.-P-3D	France	Full	59%	59%	59%	59%
AM AC FR ISR PC 3D	France	Full	63%	63%	50%	50%
BNP PAR.CRED.ERSC	France	Full	67%	67%	66%	66%
LCL 6 HORIZ. AV 0615	France	Full	100%	100%	100%	100%
INDOS.EURO.PAT.PD 3D	France	Full	44%	44%	45%	45%
CPR CROIS.REA.-P	France	Full	38%	38%	29%	29%
AM.AC.MINER.-P-3D	France	Full	50%	50%	44%	44%
FONDS AV ECHUS FIA A	France	Not consolidated	0%	0%	100%	100%
LCL PHOENIX VIE 2016	France	Not consolidated	0%	0%	94%	94%
LCL TRIP HORIZ SEP16	France	Not consolidated	0%	0%	78%	78%
ACTICCIA VIE 90 N2	France	Full	100%	100%	100%	100%
LCL TEMPO 6 ANS AV (SEPT. 2015)	France	Not consolidated	0%	0%	100%	100%
TRIALIS 6 ANS	France	Not consolidated	0%	0%	68%	68%
LCL DBL HOR AV NOV15	France	Not consolidated	0%	0%	100%	100%
ACTICCIA VIE 90 N3 C	France	Full	100%	100%	100%	100%
LCL INVEST.EQ C	France	Full	92%	92%	92%	92%
LCL INVEST.PRUD.3D	France	Full	91%	91%	91%	91%
CPR GLO SILVER AGE P	France	Full	98%	98%	98%	98%
ACTICCIA VIE 90 N4	France	Full	100%	100%	100%	100%
LCL L.GR.B.AV 17 C	France	Full	100%	100%	100%	100%
LCL OPTIM VIE T 17 C	France	Not consolidated	0%	0%	95%	95%
LCL TRP HOZ AV 0117	France	Full	100%	100%	100%	100%
ACTICCIA VIE 90 N6 C	France	Full	100%	100%	100%	100%
FONDS AV ECHUS FIA C	France	Not consolidated	0%	0%	99%	99%
LCL LATITUDE VIE17 C	France	Not consolidated	0%	0%	97%	97%
LCL 3 TEMPO AV 11/16	France	Full	100%	100%	100%	100%
AMUN TRESO CT PC 3D	France	Full	65%	65%	63%	63%
LCL TRIPLE TE AV OC	France	Full	100%	100%	100%	100%
INDOSUEZ ALLOCATION	France	Full	100%	100%	100%	100%
LCL OPTIM II VIE 17	France	Full	95%	95%	94%	94%
LCL AUTOCALL VIE 17	France	Full	90%	90%	90%	90%
LCL DOUBLE HORIZON A	France	Full	100%	100%	100%	100%
TRIANANCE 6 ANS N 4	France	Full	75%	75%	73%	73%
FONDS AV ECHUS FIA D	France	Not consolidated	0%	0%	100%	100%
LCL AC MONDE	France	Full	42%	42%	42%	42%
AMUN.ACT.REST.P-C	France	Full	53%	53%	52%	52%
AMUNDI KBI ACTIONS C	France	Full	86%	51%	85%	50%
LCL ACT RES NATUREL	France	Full	39%	39%	60%	60%

Consolidation scope of Crédit Agricole Assurances Group	Country	Consolidation Method	31/12/2018 Control	31/12/2018 Interest	31/12/2017 Control	31/12/2017 Interest
CAPITOP MON. C 3DEC	France	Not consolidated	0%	0%	46%	46%
SOLIDARITE AMUNDI P	France	Full	62%	62%	56%	56%
INDO ALLOC MANDAT C	France	Full	94%	94%	0%	0%
LCL TRI ESC AV 0118	France	Full	100%	100%	0%	0%
TRIANANCE 6 ANS 5 C	France	Full	79%	79%	0%	0%
A FD EQ E CON AE(C)	France	Full	54%	54%	0%	0%
A FD EQ E FOC AE (C)	France	Full	61%	61%	0%	0%
AMU-AB RET MS-EEUR	France	Full	59%	59%	0%	0%
AMUNDI ALLOCATION C	France	Full	100%	100%	0%	0%
PORTF DET FI EUR AC	France	Full	100%	100%	0%	0%
BFT SEL RDT 23 PC	France	Full	100%	100%	0%	0%
LCL BDP MONET. A C	France	Full	99%	99%	0%	0%
BFT STATERE P (C)	France	Full	48%	48%	0%	0%
CPR FOCUS INF.-P-3D	France	Full	63%	63%	0%	0%
EXAN.PLEI.FD P	France	Full	62%	62%	0%	0%
AMUNDIOBLIGMONDEP	France	Full	50%	50%	0%	0%
AMUNDI KBI ACTION PC	France	Full	87%	87%	0%	0%
LCL BDP MONETARISES	France	Full	99%	99%	0%	0%
AMUNDI-CSH IN-PC	France	Full	96%	96%	0%	0%
BFT FRAN FUT-C SI.3D	France	Full	48%	48%	0%	0%
OPCI						
Nexus1	Italy	Full	100%	100%	100%	100%
OPCI Predica Bureau	France	Full	100%	100%	100%	100%
OPCI PREDICA HABITATION	France	Full	100%	100%	100%	100%
OPCI PREDICA COMMERCES	France	Full	100%	100%	100%	100%
OPCI CAMP INVEST	France	Full	100%	100%	100%	100%
OPCI IRIS INVEST 2010	France	Full	100%	100%	100%	100%
OPCI MESSIDOR	France	Full	100%	100%	100%	100%
OPCI eco campus	France	Full	100%	100%	100%	100%
OPCI MASSY BUREAUX	France	Full	100%	100%	100%	100%
Property investment companies						
SCI PORTE DES LILAS – FRERES FLAVIEN	France	Full	100%	100%	100%	100%
SCI LE VILLAGE VICTOR HUGO	France	Full	100%	100%	100%	100%
SCI BMEDIC HABITATION	France	Full	100%	100%	100%	100%
SCI FEDERALE VILLIERS	France	Full	100%	100%	100%	100%
SCI FEDERLOG	France	Full	100%	100%	100%	100%
SCI FEDERLONDRES	France	Full	100%	100%	100%	100%
SCI FEDERPIERRE	France	Full	100%	100%	100%	100%
SCI GRENIER VELLEF	France	Full	100%	100%	100%	100%
SCI IMEFA 1	France	Full	100%	100%	100%	100%
SCI IMEFA 100	France	Full	100%	100%	100%	100%
SCI IMEFA 101	France	Full	100%	100%	100%	100%
SCI IMEFA 3	France	Full	100%	100%	100%	100%
SCI IMEFA 12	France	Full	100%	100%	100%	100%
SCI IMEFA 81	France	Full	100%	100%	100%	100%

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Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
SCI IMEFA 148	France	Full	100%	100%	100%	100%
SCI IMEFA 102	France	Full	100%	100%	100%	100%
SCI IMEFA 103	France	Full	100%	100%	100%	100%
SCI IMEFA 104	France	Full	100%	100%	100%	100%
SCI IMEFA 105	France	Full	100%	100%	100%	100%
SCI IMEFA 107	France	Full	100%	100%	100%	100%
SCI IMEFA 108	France	Full	100%	100%	100%	100%
SCI IMEFA 109	France	Full	100%	100%	100%	100%
SCI IMEFA 11	France	Full	100%	100%	100%	100%
SCI IMEFA 110	France	Full	100%	100%	100%	100%
SCI IMEFA 112	France	Full	100%	100%	100%	100%
SCI IMEFA 113	France	Full	100%	100%	100%	100%
SCI IMEFA 115	France	Full	100%	100%	100%	100%
SCI IMEFA 116	France	Full	100%	100%	100%	100%
SCI IMEFA 117	France	Full	100%	100%	100%	100%
SCI IMEFA 118	France	Full	100%	100%	100%	100%
SCI IMEFA 120	France	Full	100%	100%	100%	100%
SCI IMEFA 121	France	Full	100%	100%	100%	100%
SCI IMEFA 122	France	Full	100%	100%	100%	100%
SCI IMEFA 123	France	Full	100%	100%	100%	100%
SCI IMEFA 126	France	Full	100%	100%	100%	100%
SCI IMEFA 128	France	Full	100%	100%	100%	100%
SCI IMEFA 129	France	Full	100%	100%	100%	100%
SCI IMEFA 13	France	Full	100%	100%	100%	100%
SCI IMEFA 131	France	Full	100%	100%	100%	100%
SCI IMEFA 17	France	Full	100%	100%	100%	100%
SCI IMEFA 18	France	Full	100%	100%	100%	100%
SCI IMEFA 20	France	Full	100%	100%	100%	100%
SCI IMEFA 32	France	Full	100%	100%	100%	100%
SCI IMEFA 33	France	Full	100%	100%	100%	100%
SCI IMEFA 34	France	Full	100%	100%	100%	100%
SCI IMEFA 35	France	Full	100%	100%	100%	100%
SCI IMEFA 36	France	Full	100%	100%	100%	100%
SCI IMEFA 37	France	Full	100%	100%	100%	100%
SCI IMEFA 38	France	Full	100%	100%	100%	100%
SCI IMEFA 39	France	Full	100%	100%	100%	100%
SCI IMEFA 4	France	Full	100%	100%	100%	100%
SCI IMEFA 42	France	Full	100%	100%	100%	100%
SCI IMEFA 43	France	Full	100%	100%	100%	100%
SCI IMEFA 44	France	Full	100%	100%	100%	100%
SCI IMEFA 47	France	Full	100%	100%	100%	100%
SCI IMEFA 48	France	Full	100%	100%	100%	100%
SCI IMEFA 5	France	Full	100%	100%	100%	100%
SCI IMEFA 51	France	Full	100%	100%	100%	100%
SCI IMEFA 52	France	Full	100%	100%	100%	100%

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
SCI IMEFA 54	France	Full	100%	100%	100%	100%
SCI IMEFA 57	France	Full	100%	100%	100%	100%
SCI IMEFA 58	France	Full	100%	100%	100%	100%
SCI IMEFA 6	France	Full	100%	100%	100%	100%
SCI IMEFA 60	France	Full	100%	100%	100%	100%
SCI IMEFA 61	France	Full	100%	100%	100%	100%
SCI IMEFA 62	France	Full	100%	100%	100%	100%
SCI IMEFA 63	France	Full	100%	100%	100%	100%
SCI IMEFA 64	France	Full	100%	100%	100%	100%
SCI IMEFA 67	France	Full	100%	100%	100%	100%
SCI IMEFA 68	France	Full	100%	100%	100%	100%
SCI IMEFA 69	France	Full	100%	100%	100%	100%
SCI IMEFA 72	France	Full	100%	100%	100%	100%
SCI IMEFA 73	France	Full	100%	100%	100%	100%
SCI IMEFA 74	France	Full	100%	100%	100%	100%
SCI IMEFA 76	France	Full	100%	100%	100%	100%
SCI IMEFA 77	France	Full	100%	100%	100%	100%
SCI IMEFA 78	France	Full	100%	100%	100%	100%
SCI IMEFA 79	France	Full	100%	100%	100%	100%
SCI IMEFA 80	France	Full	100%	100%	100%	100%
SCI IMEFA 82	France	Full	100%	100%	100%	100%
SCI IMEFA 84	France	Full	100%	100%	100%	100%
SCI IMEFA 85	France	Full	100%	100%	100%	100%
SCI IMEFA 89	France	Full	100%	100%	100%	100%
SCI IMEFA 91	France	Full	100%	100%	100%	100%
SCI IMEFA 92	France	Full	100%	100%	100%	100%
SCI IMEFA 96	France	Full	100%	100%	100%	100%
SCI MEDI BUREAUX	France	Full	100%	100%	100%	100%
SCI PACIFICA HUGO	France	Full	100%	100%	100%	100%
SCI FEDERALE PEREIRE VICTOIRE	France	Full	99%	99%	99%	99%
SCI VAL HUBERT (SCPI)	France	Full	100%	100%	100%	100%
SCI IMEFA 132	France	Full	100%	100%	100%	100%
SCI IMEFA 22	France	Full	100%	100%	100%	100%
SCI IMEFA 83	France	Full	100%	100%	100%	100%
SCI IMEFA 25	France	Full	100%	100%	100%	100%
SCI IMEFA 140	France	Full	100%	100%	100%	100%
SCI IMEFA 8	France	Full	100%	100%	100%	100%
SCI IMEFA 16	France	Full	100%	100%	100%	100%
SCI CAMPUS MEDICIS ST DENIS	France	Full	70%	70%	70%	70%
SCI CAMPUS RIMBAUD ST DENIS	France	Full	70%	70%	70%	70%
SCI IMEFA 156	France	Full	90%	90%	90%	90%
SCI IMEFA 150	France	Full	100%	100%	100%	100%
SCI IMEFA 155	France	Full	100%	100%	100%	100%
SCI IMEFA 158	France	Full	100%	100%	100%	100%
SCI IMEFA 159	France	Full	100%	100%	100%	100%

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
SCI IMEFA 164	France	Full	100%	100%	100%	100%
SCI IMEFA 171	France	Full	100%	100%	99%	99%
SCI IMEFA 170	France	Full	100%	100%	100%	100%
SCI IMEFA 169	France	Full	100%	100%	100%	100%
SCI IMEFA 168	France	Full	95%	95%	95%	95%
SCI IMEFA 166	France	Full	95%	95%	95%	95%
SCI IMEFA 157	France	Full	90%	90%	90%	90%
SCI IMEFA 167	France	Full	95%	95%	95%	95%
SCI IMEFA 172	France	Full	100%	100%	99%	99%
SCI IMEFA 10	France	Full	100%	100%	100%	100%
SCI IMEFA 9	France	Full	100%	100%	100%	100%
SCI IMEFA 2	France	Full	100%	100%	100%	100%
SCI IMEFA 173	France	Full	100%	100%	99%	99%
SCI IMEFA 174	France	Full	100%	100%	99%	99%
SCI IMEFA 175	France	Full	100%	100%	99%	99%
SCI IMEFA 149	France	Full	100%	100%	99%	99%
SCI IMEFA 176	France	Full	100%	100%	99%	99%
IMEFA 177	France	Full	100%	100%	99%	99%
IMEFA 178	France	Full	100%	100%	99%	99%
IMEFA 179	France	Full	100%	100%	99%	99%
SCI Holding Dahlia	France	Full	100%	100%	100%	100%
DS Campus	France	Full	100%	100%	100%	100%
Issy Pont	France	Full	75%	75%	75%	75%
SCI CARGO PROP HOLD	France	Equity method	28%	28%	30%	30%
SCI Vaugirard 36-44	France	Full	100%	100%	100%	100%
SCI 1 TERRASSE BELLINI	France	Equity method	33%	33%	0%	0%
SCI WASHINGTON	France	Equity method	34%	34%	0%	0%
SOCIETE CIVILE FONDIS	France	Equity method	25%	25%	0%	0%
SCI RUE DU BAC	France	Equity method	50%	50%	0%	0%
SCI TOUR MERLE	France	Equity method	50%	50%	0%	0%
SCI CARPE DIEM	France	Equity method	50%	50%	0%	0%
SCI WAGRAM 22/30	France	Equity method	50%	50%	0%	0%
SCI EUROMARSEILLE 1	France	Equity method	50%	50%	0%	0%
SCI EUROMARSEILLE 2	France	Equity method	50%	50%	0%	0%
SCI ILOT 13	France	Equity method	50%	50%	0%	0%
SCI FREY RETAIL VILLEBON	France	Equity method	48%	48%	0%	0%
SCI HEART OF LA DEFENSE	France	Equity method	33%	33%	0%	0%
Premium Green						
PREMIUM GREEN 4.72%12-250927	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV2027	Ireland	Full	100%	100%	100%	100%
PREMIUM GR 0% 28	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4.56%/06-21	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4.52%/06-21 EMTN	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV 06/22	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV/23/052022 EMTN	Ireland	Full	100%	100%	100%	100%

			31/12/2018		31/12/2017	
Consolidation scope of Crédit Agricole Assurances Group	**Country**	**Consolidation Method**	**Control**	**Interest**	**Control**	**Interest**
PREMIUM GREEN PLC 4.30%2021	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4.33%06-29/10/21	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4.7% EMTN 08/08/21	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4 .54% 06-13.06.21	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 4.5575%21EMTN	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV 22	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV07/22	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV 26/07/22	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN TV 07/22	Ireland	Full	100%	100%	100%	100%
PREMIUM GREEN 1.24% 25/04/35	Ireland	Full	100%	100%	100%	100%
PREM GRE 1.53 04-35	Ireland	Full	100%	100%	100%	100%
PREM GRE 1.55 07-40	Ireland	Full	100%	100%	100%	100%
PREM GRE 0.51 10-38	Ireland	Full	100%	100%	100%	100%
PREGREEN 0.63 10/25/38 Corp	Ireland	Full	100%	100%	100%	100%
PREGREEN 1.095 10/25/38 Corp	Ireland	Full	100%	100%	100%	100%
Branch offices						
CALIE EUROPE succursale France	France	Full	100%	100%	100%	100%
CALIE EUROPE succursale Pologne	Poland	Full	100%	100%	100%	100%
CACI VIE succursale CACI LIFE	France	Full	100%	100%	100%	100%
CACI NON VIE succursale CACI NON LIFE	France	Full	100%	100%	100%	100%
CACI VITA succursale CACI LIFE	Italy	Full	100%	100%	100%	100%
CACI DANNI succursale CACI NON LIFE	Italy	Full	100%	100%	100%	100%
PREDICA-PREVOYANCE DIALOGUE DU CREDIT AGRICOLE succursale en Espagne	Spain	Full	100%	100%	100%	100%

NOTE 11 Non-consolidated equity holdings and structured entities

11.1 Non-consolidated equity holdings

11.1.1 NON-CONSOLIDATED HOLDINGS ENTITIES

Entities under exclusive control, under joint control and under influence that have been excluded from the scope of consolidation, are presented in the table below:

Non-consolidated entities	Registered office	Interest % 31/12/2018	Interest % 31/12/2017	Reasons of exclusion from consolidation scope
SAS ALTA VAI HOLDC P	FRANCE	100%	100%	Non-significant impact of the consolidation
VAUGIRARD INFRA SLU	SPAIN	100%	100%	Non-significant impact of the consolidation
SA FANCIMMO HOTELS	FRANCE	100%	100%	Significance thresholds
PREDICA INFRASTRUCTURE SA	LUXEMBOURG	100%	100%	Non-significant impact of the consolidation
UAF LIFE PATRIMOINE	FRANCE	100%	100%	Significance thresholds
PREDICARE SARL	LUXEMBOURG	100%		Entity in run-off management
SCI NEW VELIZY	FRANCE	100%	100%	Significance thresholds
OPTISANTIS SAS	FRANCE	77%		Significance thresholds
DIAPRE	FRANCE	100%	100%	Significance thresholds
CSSE LOC.AS.M.CORS	FRANCE	60%		Significance thresholds
ASSERCAR	FRANCE	51%	51%	Significance thresholds
SAS VIAREN	FRANCE	100%	100%	Significance thresholds
SAS IMEFA 144	FRANCE	100%	100%	Significance thresholds
ISR COURTAGE	FRANCE	100%	100%	Significance thresholds
SAS SPECIFICA	FRANCE	51%	51%	Significance thresholds
SCI IMEFA 161	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 162	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 163	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 165	FRANCE	99%	99%	Significance thresholds
PREVISEO OBSEQUES	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 45	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 49	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 50	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 53	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 66	FRANCE	100%	100%	Significance thresholds
SCI IMEFA VELIZY	FRANCE	56%	56%	Significance thresholds
SCI ALLIANCE PARC A1	FRANCE	50%	50%	Significance thresholds
CA INSURANCE GREECE	GREECE	100%	100%	Entity in run-off management
CARI	LUXEMBOURG	100%	100%	Significance thresholds
VERT SARL	ITALY	100%	100%	Significance thresholds
CDT AGRI. TU SA	POLAND	100%	100%	Significance thresholds

Non-consolidated entities	Registered office	Interest % 31/12/2018	Interest % 31/12/2017	Reasons of exclusion from consolidation scope
SCI HOLDING STRATEGE	FRANCE	78%	78%	Significance thresholds
SAS GHD OPCO HOTEL	FRANCE	90%	90%	Significance thresholds
SCI IMEFA 180	FRANCE	99%	99%	Significance thresholds
LA MEDICALE COURTAGE	FRANCE	100%	100%	Significance thresholds
SCI IMEFA 181	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 182	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 183	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 184	FRANCE	99%	99%	Significance thresholds
SCI SPIRICA MARSEILLE	FRANCE	99%		Significance thresholds
SCI IMEFA 186	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 187	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 188	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 189	FRANCE	99%	99%	Significance thresholds
SCI IMEFA 190	FRANCE	99%	99%	Significance thresholds
CAVOUR AERO SA	Luxembourg	37%	37%	Non-significant impact of the consolidation
SAS OFELIA	FRANCE	33%	33%	Significance thresholds
SCI FEDERIMMO	FRANCE	40%	40%	Significance thresholds
SCI 11 PLACE DE L'EUROPE	FRANCE	50%	50%	Significance thresholds
SAS DEFENSE CB3	FRANCE	25%	25%	Significance thresholds
SCI SEGUR 2	FRANCE	24%	24%	Significance thresholds
SOCIETE SOPRESA	FRANCE	50%	50%	Significance thresholds
SCI SEGUR	FRANCE	36%	36%	Significance thresholds
SCI DISTRIPOLE PORTE	FRANCE	33%	33%	Significance thresholds
SAS VILLE DU BOIS INVEST	FRANCE	49%		Significance thresholds
SCI FUTURE WAY	FRANCE	45%	45%	Significance thresholds
F I VENTURE FCPR	FRANCE	45%	40%	Non-significant impact of the consolidation
STOCKLY	FRANCE	25%		Significance thresholds
LITHOS O	FRANCE	100%		Significance thresholds
GRD ACT.ZONE EURO	FRANCE	94%		Significance thresholds
PREDICA ISR EUR.3D	FRANCE	100%		Significance thresholds
PREDICA ISR MDE 3D	FRANCE	100%		Significance thresholds
FCPR PREDICA CO-INVE	FRANCE	100%		Significance thresholds
PREDIQUANT A5	FRANCE	100%	100%	Significance thresholds
FCPR PREDICA 2007 CO	FRANCE	100%		Significance thresholds
FDC A2 -P-3D	FRANCE	100%		Significance thresholds
FDC A3 P	FRANCE	100%	25%	Significance thresholds
FDC A1 -O-3D	FRANCE	100%		Significance thresholds
FDC PREDIQ.OPP.O 3D	FRANCE	100%		Significance thresholds
FDA 14 PART O	FRANCE	100%		Significance thresholds
FDA 18 -O-3D	FRANCE	100%	45%	Significance thresholds
FDA 2 3D	FRANCE	100%		Significance thresholds
FDA RE -O-3D	FRANCE	79%		Significance thresholds
INVEST LATIT MDE I	FRANCE	69%		Significance thresholds
FDA 17 O	FRANCE	100%		Significance thresholds
OPCI RIVER OUEST	FRANCE	100%	40%	Significance thresholds
FDA 21 -O-3D	FRANCE	100%		Significance thresholds
FDA 7 O 3D	FRANCE	100%		Significance thresholds

Non-consolidated entities	Registered office	Interest % 31/12/2018	Interest % 31/12/2017	Reasons of exclusion from consolidation scope
CAA COMMERCES 2	FRANCE	100%		Significance thresholds
OPCI LAPILLUS I	FRANCE	50%	50%	Significance thresholds
FIN SOLI ASS VIE 3D	FRANCE	100%		Significance thresholds
ECHIQ VAL EURO-D	FRANCE	100%		Significance thresholds
F CORE EU CRED 19 S	FRANCE	47%		Significance thresholds
3.35 06-28	FRANCE	50%		Significance thresholds
CAA PR FIN-CPT 3A3	FRANCE	100%		Significance thresholds
OPCI GHD	FRANCE	90%	90%	Significance thresholds
BEST BUS MODELS ID	FRANCE	42%		Significance thresholds
FDC T1	FRANCE	100%		Significance thresholds
FDC SILVER AGE C/D	FRANCE	100%		Significance thresholds
FDC PREMIUM	FRANCE	100%		Significance thresholds
CAA P.EQ.18 CPBIS A2	FRANCE	100%		Significance thresholds
LF PRE ZCP 12 99 LIB	FRANCE	100%		Significance thresholds
CAA SECONDAIRE V A	FRANCE	100%		Significance thresholds
AMUNDI CON GL IED	LUXEMBOURG	100%		Significance thresholds
GEMS P LOW VOL R	LUXEMBOURG	86%		Significance thresholds
AF BD EURO CORPORATE	LUXEMBOURG	100%		Significance thresholds
APLEGROSENIEUHD	LUXEMBOURG	51%		Significance thresholds
LCL ACT.MIDV.EUR.3D	FRANCE	61%		Significance thresholds
CPR EUR.HI.DIV.P 3D	FRANCE	42%		Significance thresholds
LCL ACT.OR MONDE	FRANCE	41%		Significance thresholds
AM.AC.USA ISR P 3D	FRANCE	53%		Significance thresholds
HMG GLOBETROTTER D	FRANCE	54%		Significance thresholds
AM.AC.EU.ISR-P-3D	FRANCE	71%		Significance thresholds
CPR USA P	FRANCE	72%		Significance thresholds
AMUNDI CRED.EU.P 3D	FRANCE	85%		Significance thresholds
OPCIMMO -OPC.VIE-5D	FRANCE	92%		Significance thresholds
LCF CREDIT ERSC 3D	FRANCE	41%		Significance thresholds
AMUN PROT SOLID 3D	FRANCE	96%		Significance thresholds
AMUNDI TRANSM. IMMO.	FRANCE	91%		Significance thresholds
AMUNDI ACT. OR P C	FRANCE	42%		Significance thresholds
AMUNDI EDR SELECTION	FRANCE	99%		Significance thresholds
CPR CRED AC US HY P	FRANCE	93%		Significance thresholds
CPR USA H P EUR	FRANCE	70%		Significance thresholds
BEST BUS MODELS RC	FRANCE	48%		Significance thresholds
ACTICCIA VIE 90 N5	FRANCE	100%		Significance thresholds
AMUNDI KBI AQUA C	FRANCE	97%		Significance thresholds
TRIANANCE 6 ANS N2 C	FRANCE	75%		Significance thresholds
ACTICCIA VIE 90 N7 C	FRANCE	100%		Significance thresholds
TRIANANCE 6 ANS N3	FRANCE	70%		Significance thresholds
LCL PREM VIE T 2017	FRANCE	85%		Significance thresholds
LCL BP MONET C C	FRANCE	97%		Significance thresholds

Non-consolidated entities	Registered office	Interest % 31/12/2018	Interest % 31/12/2017	Reasons of exclusion from consolidation scope
ACTICCIA VIE 90 N 8	FRANCE	100%		Significance thresholds
EPARINTER EURO BD	FRANCE	40%		Significance thresholds
CHORELIA PART C	FRANCE	85%		Significance thresholds
RETAH PART C	FRANCE	100%		Significance thresholds
CHORELIA N2 PART C	FRANCE	88%		Significance thresholds
TRIANANCE 6 ANS N6	FRANCE	84%		Significance thresholds
TRIANANCE 6 ANS N7 C	FRANCE	82%		Significance thresholds
CHORELIA N3 PART C	FRANCE	89%		Significance thresholds
AFCPRGLAGRAUC	LUXEMBOURG	53%		Significance thresholds
AMU-ABRE EUEQ-AEUR	LUXEMBOURG	76%		Significance thresholds
AMFSBIEQINAEC	LUXEMBOURG	60%		Significance thresholds
AF BD GLO EM LOC CUR	LUXEMBOURG	75%		Significance thresholds
AMUNDI B GL AGG AEC	LUXEMBOURG	40%		Significance thresholds
AMUNDI EQ JA T AEC	LUXEMBOURG	67%		Significance thresholds
AFCPRGLLIFEAEC	LUXEMBOURG	47%		Significance thresholds
AIMSCIWOAE	LUXEMBOURG	48%		Significance thresholds
MDP-TOBAM ANTI-BENCH	LUXEMBOURG	93%		Significance thresholds
MDP-TOBAM ANTI-B.ALL	LUXEMBOURG	100%		Significance thresholds
INDO-GBL TR-PE	LUXEMBOURG	45%		Significance thresholds
EDRF-EURSYN-R-EUR	LUXEMBOURG	67%		Significance thresholds
AMUNDI BGEB AEC	LUXEMBOURG	47%		Significance thresholds
AF BD GLOBAL HY AHE	LUXEMBOURG	96%		Significance thresholds
AFCREDUNCONSTAE	LUXEMBOURG	93%		Significance thresholds
INDOSUEZ EURO DIV G	LUXEMBOURG	55%		Significance thresholds
FLUXDUNE	BELGIUM	25%		Significance thresholds
STELVIO	ITALY	100%		Significance thresholds
FCT BRIDGE ZCP 311299	FRANCE	43%		Significance thresholds
FCT FEDERIS 31/12/22	FRANCE	29%		Significance thresholds
FCT PREDIREC LEASING	FRANCE	33%		Significance thresholds
FEDERIS C EURO CR 18 MM	FRANCE	30%		Significance thresholds
PREDIREC IMMO 2019	FRANCE	29%		Significance thresholds
UNIGESTION SECONDARY OPPORTUNITY III	FRANCE	25%		Significance thresholds
OPCI B2 HOTEL INVEST	FRANCE	23%		Significance thresholds
CREDIT AGRICOLE PROTECTION & SECURITE	FRANCE	20%		Significance thresholds
SAS ALTA BLUE	FRANCE	33%		Non-significant impact of the consolidation

11.1.2 NON-CONSOLIDATED SIGNIFICANT EQUITY HOLDINGS

Equity securities representing a fraction of the capital greater than or equal to 10% that do not fall within the scope of consolidation are presented in the table below:

Non-consolidated equitiy securities *(in € millions)*	**Registered office**	**Interest % 31/12/2018**	**Interest % 31/12/2017**	**Equity value**	**Net income/ (loss) for previous year**
FONCIERE LYONNAISE	FRANCE	13%	13%	4,239	685
COVIVIO HOTELS (ex FONCIERE DES MURS)	FRANCE	17%	17%	2,184	252
GECINA NOMINATIVE	FRANCE	13%	13%	11,014	1,896
LOGISTIS LUXEMBOURG S.A	LUXEMBOURG	16%	14%	273	17
COVIVIO IMMOBILIEN (ex FDM MANAGEMENT SAS)	GERMANY	12%	12%	262	91
TIGF HOLDING	FRANCE	10%	10%	643	31
FDS STR PART – CP 1	FRANCE	25%	25%	407	-
CPT PARTICIPAT 2 3D	FRANCE	24%	24%	484	-
CPT PARTICIPATION 3	FRANCE	21%	21%	273	3
CPT PARTICIPATION 4	FRANCE	25%	25%	358	21
EFFI INVEST II	FRANCE	25%	25%	203	11
SAS PREIM HEALTHCARE	FRANCE	21%	20%	178	8
ADL PARTICIPATIONS	FRANCE	25%	25%	395	5
CA GRANDS CRUS	FRANCE	22%	22%	171	-
CENTRAL SICAF	FRANCE	23%		790	36
MACQUARIE STRATEGIC STORAGE FACILITIES HOLDINGS	FRANCE	40%		(159)	7
SEMMARIS	FRANCE	28%		104	18
FUTURE ENGERGIE INVESTMENT HOLDING	FRANCE	50%		78	34

11.2 Information about non-consolidated structured entities

In accordance with IFRS 12, a structured entity is 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.

DISCLOSURES ABOUT THE NATURE AND EXTENT OF INTERESTS HELD

At 31 December 2018, Crédit Agricole Assurances has an interest in certain non-consolidated structured entities, whose main features based on their type of business are presented below.

Crédit Agricole Assurances invests in funds created for cash management purposes in response to investor demand, on the one hand and, on the other, for the purpose of investing insurance premiums received from insurance company customers in compliance with the regulatory provisions set out in the French Insurance Code (Code des Assurances). Insurance company investments are used to fulfil commitments to policyholders throughout the insurance contracts'lifetime. Their value and returns are correlated with these commitments.

In this regard, Crédit Agricole Assurances invests in three types of vehicles:

UCITS

This category covers standard investment funds, whether or not listed, such as FCPs, SICAVs, FCPRs or similar foreign funds.

Real estate

The following are included in the category of non-consolidated structured entities: funds whose underlying assets are in real estate and especially OPCIs, SCPIs or foreign funds of the same nature, etc.

Other

This category covers so-called securitisation funds such as FCCs, FCTs or similar foreign funds, etc.

Sponsored entities

Crédit Agricole Assurances sponsors structured entities in the following instances:

- Crédit Agricole Assurances 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 Assurances and it is the main user thereof;
- Crédit Agricole Assurances transfered its own assets to the structured entity;
- Crédit Agricole Assurances is the manager;
- the name of a subsidiary or of the parent company of Crédit Agricole Assurances is linked to the name of the structured entity or to financial instruments issued by it.

Crédit Agricole Assurances has sponsored non-consolidated structured entities in which it no longer hosts interests at 31 December 2018.

Gross income of sponsored entities in which Crédit Agricole Assurances no longer holds interests after the end of the period amounts to € –2 million at 31 December 2018.

INFORMATION ON THE RISKS ASSOCIATED WITH INTERESTS HELD

Financial support provided to structured entities

No financial support was provided nor is planned with regard to non-consolidated structured entities for the 2018 financial year.

Interests held in non-consolidated structured entities by type of business

Non-sponsored structured entities generate no specific risk related to the nature of the entity. Disclosures concerning these exposures are set out in note 6.5 "Fair value of financial assets and liabilities". 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.

At 31 December 2018 and 31 December 2017, the involvement of Crédit Agricole Assurances in non-consolidated sponsored structured entities is shown for all groups of structured entities that are material to Crédit Agricole Assurances in the tables below:

	31/12/2018							
	Securitisation vehicules				Asset management			
		Maximum loss				Maximum loss		
(in € millions)	Carrying amount in balance sheet	Maximum exposure to loss	Guarantees received and other credit enhancements	Net exposure	Carrying amount in balance sheet	Maximum exposure to loss	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	-			-	-			-
Financial assets at fair value through equity	-	-	-	-	-	-	-	-
Financial assets at amortized cost	-			-	-			-
Total assets recognized against unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
liability	-	-	-	-	-	-	-	-
Total liabilities recognized for unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commitments given		-	-	-		-	-	-
Financing commitments		-	-	-		-	-	-
Warranty commitments		-	-	-		-	-	-
Other		-	-	-		-	-	-
Provisions for execution risk – Commitments by signature		-	-	-		-	-	-
Total off-balance sheet commitments net of provisions against unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL BALANCE SHEET OF NON-CONSOLIDATED STRUCTURED ENTITIES	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

(in € millions)	31/12/2018							
	Investment Funds				Structured finance			
	Carrying amount in balance sheet	Maximum loss			Carrying amount in balance sheet	Maximum loss		
		Maximum exposure to loss	Guarantees received and other credit enhancements	Net exposure		Maximum exposure to loss	Guarantees received and other credit enhancements	Net exposure
Financial assets at fair value through profit or loss	32,021			32,021	-			-
Financial assets at fair value through equity	1	-	-	1	-	-	-	-
Financial assets at amortized cost	-			-	-			-
Total assets recognized against unconsolidated structured entities	**32,021**	**32,021**	**-**	**32,021**	**-**	**-**	**-**	**-**
Equity instruments	-	-	-	-	-	-	-	-
Financial liabilities at fair value through profit or loss	-	-	-	-	-	-	-	-
liability	-	-	-	-	-	-	-	-
Total liabilities recognized for unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commitments given		-	-	-		-	-	-
Financing commitments		-	-	-		-	-	-
Warranty commitments		-	-	-		-	-	-
Other		-	-	-		-	-	-
Provisions for execution risk – Commitments by signature		-	-	-		-	-	-
Total off-balance sheet commitments net of provisions against unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL BALANCE SHEET OF NON-CONSOLIDATED STRUCTURED ENTITIES	**229,853**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

	31/12/2017								
	UCITS			Real estate			Others		
	Carrying	Maximum loss		Carrying	Maximum loss		Carrying	Others	
(in € millions)	amount in balance sheet	Maximum exposure to loss	Net exposure	amount in balance sheet	Maximum exposure to loss	Net exposure	amount in balance sheet	Maximum exposure to loss	Net exposure
Financial assets held for trading	-	-	-	-	-	-	-	-	-
Financial assets designated at fair value through profit and loss	24,390	24,390	24,390	715	715	715	5,474	5,474	5,474
Available-for-sale financial assets	2,989	2,989	2,989	624	624	624	573	573	573
Loans and receivables	-	-	-	-	-	-	49	49	49
Financial assets held to maturity	-	-	-	-	-	-	-	-	-
Total assets recognised to unconsolidated structured entities	**27,380**	**27,380**	**27,380**	**1,339**	**1,339**	**1,339**	**6,096**	**6,096**	**6,096**
Equity instruments	-	-	-	-	-	-	-	-	-
Financial liabilities held for trading	-	-	-	-	-	-	-	-	-
Financial liabilities designated at fair value through profit and loss – Deposits	-	-	-	-	-	-	-	-	-
Debt at amortised cost	-	-	-	-	-	-	-	-	-
Total liabilities recognised to unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Commitments given	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financing commitments	-	-	-	-	-	-	-	-	-
Guarantee commitments	-	-	-	-	-	-	-	-	-
Others commitments	-	-	-	-	-	-	-	-	-
Maximum exposure to loss of off-balance-sheet commitments (net of provisions) with unconsolidated structured entities	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
BALANCE-SHEET TOTAL TO UNCONSOLIDATED STRUCTURED ENTITIES	**235,140**	**-**	**-**	**5,186**	**-**	**-**	**12,314**	**-**	**-**

11.2.1.1 Financial information of non consolidated joint ventures and non consolidated associates

Crédit Agricole Assurances implemented the simplified option permitted by IAS 28 for the accounting of 2 UCITS (CNP ACP OBLIG and CNP ACP 10 FCP) and of one traditional entity (Future Engergie Investment Holding) on which it has joint control and for 3 traditional entities (Central Sicaf, Macquarie Strategic Storage Facilities Holdings and Semmaris) on which it has a significant influence. These entities are measured at fair value through result in accordance with IFRS 9. The main financial information are presented in the table below:

	31/12/2018				
(in € millions)	Interest %	Net asset value	Balance sheet total	Equity value	Result
CNP ACP OBLIG	45%	459	-	-	-
CNP ACP 10 FCP	57%	583	-	-	-
Central Sicaf	23%	191	1,557	790	36
Macquarie Strategic Storage Facilities Holdings	40%	242	577	(159)	7
Semmaris	28%	180	658	515	18
Future Energie Investment Holding	50%	390	1,314	78	34

STATUTORY AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

This is free 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 31 December 2018)

To the Annual General Meeting,

Crédit Agricole Assurances

50-56 rue de la Procession

75015 PARIS

Opinion

In compliance with the engagement entrusted to us by your Annual General Meetings, we have audited the accompanying consolidated financial statements of Crédit Agricole Assurances for the year ended 31 December 2018.

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 as at 31 December 2018 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 and Accounts 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 those standards are further described in the Statutory auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Emphasis of matter

We draw attention to note 1 to the consolidated financial statements, which describes the change in accounting policy consequential upon the first application of IFRS 9 standard "Financial Instruments", and to "Appendix notes on the impact of IFRS 9 standard application at 1 January 2018". Our opinion is not modified in respect of this matter.

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 risks of material misstatement that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period, as well as how we addressed those risks.

These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on specific items of the consolidated financial statements.

General reserve for management costs

Gross technical liabilities relating to life insurance contracts amounted to €154 billion at 31 December 2018. They are primarily comprised of mathematical reserves, which represent the company's commitment with regard to its policyholders, and mandatory reserves such as the general reserve for management costs.

See notes 1 and 6.23 to the consolidated financial statements.

Description of risk	How our audit addressed this risk
When the fees levied over the lifetime of savings contracts are inadequate to cover the management costs, the French Insurance Code (Code des assurances) requires insurers to set aside a general reserve for management costs. In accordance with the Code, this reserve must be determined by uniform contract classes. A high degree of judgement is necessary to estimate the future cash flows relating to policyholder behaviour (withdrawals by redemption, withdrawals by death), the insurer's financial and commercial policy (management costs charged to policyholders and costs borne by the company) and the economic and financial environment (which impacts the return on the invested assets), as well as to define the criteria for grouping the contracts into uniform classes. In an environment of persistently low interest rates, the company examined all of these assumptions and fine-tuned the definition of uniform product classes, which led it to set aside a general reserve for management costs for the first time in 2017. As of 31 December 2018, this reserve amounts to €173.1 million, down by €2.4 million compared to 31 December 2017. Given the sensitivity of the amount of the general reserve for management costs to changes in the assumptions used by management, we deemed its measurement to be a key audit matter.	With the assistance of our actuaries, we performed the following procedures: We examined the compliance of the methodology applied by the company with the accounting rules. We tested the key controls set up by the company concerning the input data for the projection model and the assumptions integrated into the model. We assessed the reasonableness of the assumptions used over the projection period, in particular the rate of return on the assets, modelled costs, redemption rates and mortality tables. We examined the relevance of the uniform contract classes used by the company, taking into account their specific characteristics and, where applicable, the existence of guaranteed rates to the policyholders. We verified that the above-mentioned assumptions were appropriately taken into account in the calculation of the reserve for management costs and assessed the results. Lastly, we examined the disclosures provided in the notes to the consolidated financial statements.

Reserve for increasing risks – Long-term care

With respect to the long-term care risk, the reserve for increasing risks amounts to €848.1 million at 31 December 2018. It is recorded within the technical liabilities relating to non-life insurance policies (other reserves), which amounted to €2.2 billion at 31 December 2018.

See notes 1 and 6.23 to the consolidated financial statements.

Description of risk	How our audit addressed this risk
In respect of health and disability cover, a reserve for increasing risks is recorded when the present value of the insurer's commitments (payment of services) is higher than the projected contributions of policyholders. This reserve is determined prospectively, over the lifetime of the contract, which involves a large number of assumptions such as the remaining years of independent living, the likelihood of a state of partial or total dependence, the duration of the state of dependence and the discount rate of the cash flows. In light of the significant degree of judgement involved in determining the assumptions used by management to make these estimates, we deemed the measurement of the reserve for increasing risks to be a key audit matter.	With the assistance of our actuaries, we performed the following procedures: ▶ assessed the relevance of the methodology used; ▶ gained an understanding of the results of the controls implemented by the company to verify the accuracy of the management data underlying the calculation of the reserve; ▶ assessed the assumptions regarding life expectancy, the likelihood of a state of dependence, the duration of the state of dependence and the discount rate; ▶ verifyed that these assumptions were correctly taken into account in the calculation of the reserve and assessing the consistency of the results; ▶ examined the disclosures provided in the notes to the consolidated financial statements.

Liability adequacy test

Crédit Agricole Assurances has implemented a test for ensuring that, at 31 December 2018, the technical liabilities of life insurance contracts and financial contracts with discretionary participation features are adequate in relation to their estimated future cash flows.

See notes 1 and 6.23 to the consolidated financial statements.

Description of risk	How our audit addressed this risk
As required by IFRS 4, Crédit Agricole Assurances verifies at each reporting date that the liabilities recognised in respect of life insurance contracts and financial contracts with discretionary participation features are adequate to cover future commitments to policyholders. This takes the form of a test performed as part of the preparation of the consolidated financial statements, to ensure the adequacy of the reserves set aside. For this purpose, at the level of Predica, the Group's largest consolidated subsidiary, future commitments to policyholders are estimated in respect of life insurance contracts and financial contracts with discretionary participation features by using a stochastic approach to project future cash flows based on the probabilities of certain scenarios occurring. These scenarios are based on assumptions concerning changes in the economic and financial environment, policyholder behaviour and the insurer's management decisions. Any change in the assumptions used by management can have an impact on the estimate of the future cash flows against which the recognised technical reserves, net of deferred acquisition costs and portfolio values, are compared. In the event of inadequacy, the company should recognise an additional reserve, which would have a direct impact on the Group's net income. In light of the significant degree of judgement required to assess the scenarios used and the duration of the projections, we deemed the liability adequacy test performed on Predica, the Group's main life insurance subsidiary, to be a key audit matter.	We gained an understanding of the methodology used by management and assessed its reasonableness. We assessed the consistency of the economic and financial assumptions used with market data. We examined the controls implemented in relation to the integration of asset and liability data into the calculation model, and financial and non-financial assumptions. We compared the data produced by the projection model with the future cash flows presented in the liability adequacy test of Predica. We assessed the consistency of the components of the liability adequacy test (analysis of changes in discounted future cash flows and recognised reserves) by comparison with 31 December 2017. We examined the sensitivity of the test result to changes in the main financial assumptions (rates and shares) and the portfolio (redemption rate) in order to verify that the reserves remained adequate in these different scenarios. Lastly, we examined the disclosures provided in the notes to the consolidated financial statements.

Reserves for late claims (IBNRs) on long-tail lines

Gross technical reserves, before reinsurance, relating to non-life insurance contracts amounts to €8.4 billion at 31 December 2018. They are composed mainly of reserves for claims on a case by case basis and claims incurred but not reported (IBNRs).

See notes 1 and 6.24 to the consolidated financial statements.

Description of risk	How our audit addressed this risk
Technical reserves for non-life insurance contracts include claims reserves, covering the total cost of claims incurred but not yet settled. Of these reserves, reserves for late claims correspond to an estimate of the cost of claims that occurred during the year but have not yet been reported and, where applicable, to an additional measurement of the claim in question, determined on a case-by-case basis, in accordance with the accounting policies on prudence and adequate technical reserves. Claims reserves are determined by applying deterministic statistical methods based on historical data and using actuarial assumptions requiring expert judgement. In the insurance sector, these calculation methods are not uniform, and differ depending on the nature of the risks covered. Changes in the inputs used can significantly affect the value of these reserves at the end of the reporting period, particularly for long-tail insurance sectors, for which the inherent uncertainty of the attainment of forecasts is generally higher. These sectors correspond to motor, general, medical and life accident insurance. We deemed the measurement of these reserves to be a key audit matter given their materiality to the financial statements, the degree of expert judgement required and the variety and complexity of the actuarial methods implemented to measure the reserves for these sectors.	With the assistance of our actuaries, we performed the following procedures: ▶ gained an understanding of the internal control environment relating to the reserve calculation process, the claims management process, which determines the measurement of reserves recognised on a case-by-case basis, and the information systems used in processing technical data and inputting said data into the accounting systems; ▶ tested the key controls set up by management that we believe are the most relevant in the reserve calculation process; ▶ reconciled the accounting data to the historical data underlying the estimates; ▶ analysed significant changes in order to identify their origin and circumstances and to examine the outcome of the previous year's accounting estimates; ▶ examined the statistical methods and the actuarial inputs used as well as the relevance of the assumptions used with regard to market practices, the company's specific economic and financial environment and our audit experience; ▶ developed independent estimations of reserves for late claims of long-tail insurance sectors and assessed the reasonableness of the amount recorded in the accounts; ▶ examined the adequacy of the disclosures provided in the notes to the consolidated financial statements.

First time application of IFRS 9 standard "Financial instruments"

The amount of the "overlay" reserve, gross of deferred profit sharing and deferred taxes, is €4.7 billion at 1 January 2018, and €1.8 billion at 31 December 2018.

See "Appendix notes on the impact of IFRS 9 standard application at 1 January 2018", and notes 1, 6.4 and 6.20 to the consolidated financial statements.

Description of risk	How our audit addressed this risk
Crédit Agricole Assurances applies the IFRS 9 standard "Financial Instruments" for the first time at 1 January 2018. This new accounting standard sets (i) new principles for classification and measurement of financial instruments, which are based on the company's management model and the contractual cash flow characteristics of the instruments, and (ii) a new methodology for impairing financial assets, which takes into account future expected credit losses. In the consolidated financial statements of Crédit Agricole Assurances, the application of this new standard led to a change in the classification of financial assets and to record at fair value through profit and loss assets, which, in prior years, were accounted for either at fair value through recyclable equity, or at amortized cost. When applying IFRS 9, Crédit Agricole Assurances decided to use the "overlay approach" introduced by the amendment to IFRS 4 dated 12 September 2016 and applicable to financial assets held in relation to insurance contracts. With this approach, the changes in the fair value of the financial assets, designated by the Group, and recorded at fair value through profit and loss due to IFRS 9 transition, can be offset and reclassified in a specific account ("overlay reserve") within the equity section of the balance sheet. The "overlay reserve" amounts to €4.7 billion, gross of deferred profit sharing and deferred taxes (€494 million net) at 1 January 2018, and to €1.8 billion (gross) at 31 December 2018 (€304 million net). In conformity with IFRS 9, Crédit Agricole Assurances also records non-allocated provisions for future expected credit loss, which are determined based upon internal models taking into account, among other parameters, counterparty ratings. As of 1 January 2018, these provisions amount to €122 million, and as of 31 December 2018, to €116 million. We deemed the first time application of the IFRS 9 standard to be a key audit matter given its relative importance in term of classification, measurement and impairment of financial assets, the decision made by the Group to apply the "overlay" approach and the implications, both normative and operational (process and accounting control system) related to its implementation.	**Classification and measurement of financial assets:** We examined the rules applied by the Group for analyzing its portfolio of financial assets, and their conformity to the criteria defined by the standard for determining their classification. Specifically, for debt instruments, we verified that classification and measurement are in accordance with their underlying economic model and contractual characteristics. We independently tested a selection of instruments in order to corroborate the Group's conclusions. We verified that the changes in the fair value of financial assets were appropriately recorded, through profit and loss or through equity, depending on the classification of the assets. With respect to the application of the "overlay" approach, we examined the technical analysis prepared by the Group, and verified the arithmetical accuracy of the amount recorded as "overlay" adjustment within the profit and loss account, and as "overlay" reserve within the equity section of the balance sheet. We examined the disclosures provided in the notes to the consolidated financial statements, and notably the information given in relation to the first time application of the standard. **Determination of the provision for future expected credit loss:** We gained an understanding of the methodology and assumptions used by management for determining the provision (notably asset segmentation into homogeneous risk class, probability of default, loss in case of default), and examined its conformity with the IFRS 9 standard. We verified that the above-mentioned assumptions were appropriately taken into account in the calculation model, and assessed the consistency of the results. We examined the disclosures provided in the notes to the consolidated financial statements.

Specific verifications

As required by law we have also verified in accordance with professional standards applicable in France the information pertaining to the Group presented in the management report of the Board of Directors.

We have no matters to report as to its fair presentation and its consistency with the consolidated financial statements.

Report on Other Legal and Regulatory Requirements

APPOINTMENT OF THE STATUTORY AUDITORS

PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were appointed as statutory auditors of Crédit Agricole Assurances by the annual general meeting held on 5 May 2008.

As at 31 December 2018, our two firms were in the 11th year of total uninterrupted engagement, which are the 5th year since debt instruments issued by the company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from 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 is expected to liquidate the company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The consolidated financial statements were approved by the Board of Directors.

Statutory Auditors'Responsibilities for the Audit of the Consolidated Financial Statements

OBJECTIVES 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 from 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 of users taken on the basis of these consolidated financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the consolidated financial statements;
- assesses 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 his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the consolidated financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the consolidated financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtains 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 auditor is responsible for the direction, supervision and performance of the audit of the consolidated financial statements and for the opinion expressed on these consolidated financial statements.

REPORT TO THE AUDIT AND ACCOUNTS COMMITTEE

We submit a report to the Audit and Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (*Code de déontologie*) for statutory auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, 20 March 2019,

The statutory auditors

PricewaterhouseCoopers Audit		**ERNST & YOUNG et Autres**	
Anik Chaumartin	Frédéric Trouillard-Mignen	Olivier Durand	Olivier Drion

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CRÉDIT AGRICOLE ASSURANCES INDIVIDUAL STATEMENTS AT 31 DECEMBER 2018

FINANCIAL STATEMENTS OF CRÉDIT AGRICOLE ASSURANCES S.A.

BALANCE SHEET – ASSET

		31/12/2018			31/12/2017
(in € millions)	**Notes**	**Gross**	**Depreciation, amortisation and provisions**	**Net**	**Net**
Intangible assets		**18**	**(15)**	**3**	**5**
Property, plant and equipment		**-**	**-**	**-**	**-**
Equity investments		9,854	(186)	9,668	9,387
Receivables relating to equity investments		6,376	-	6,376	6,829
Other long term financial investments		-	-	-	-
Long-term financial investments	**Note 4.1**	**16,230**	**(186)**	**16,044**	**16,217**
Non-current assets		**16,248**	**(201)**	**16,047**	**16,222**
Trade notes and accounts receivables	Note 4.2	-	-	-	-
Other receivables	Note 4.2	89	-	89	13
Marketable securities	Note 4.3	1,206	(17)	1,190	1,166
Cash and cash equivalents		-	-	-	24
Current assets		**1,295**	**(17)**	**1,278**	**1,203**
Accruals and prepaid expenses		**19**	**-**	**19**	**17**
TOTAL ASSETS		**17,562**	**(218)**	**17,344**	**17,441**

BALANCE SHEET – EQUITY AND LIABILITIES

(in € millions)	Notes	31/12/2018	31/12/2017
Share capital		1,490	1,490
Premiums on share issues, mergers, asset contributions		7,374	7,374
Statutory reserve		149	149
Other reserve		1	1
Retained earnings		89	571
Net income/(loss) for the year		1,592	730
Interim dividend (current year)		(569)	-
Equity	**Note 4.6**	**10,126**	**10,315**
Undated deeply subordinated notes		1,745	1,745
Other shareholders'equity	**Note 4.7**	**1,745**	**1,745**
Perpetual subordinated debt		4,089	4,428
Financing debts	**Note 4.2**	**4,089**	**4,428**
Contingency and loss provisions	**Note 4.4**	**2**	**4**
Borrowings from and amounts due to financial institutions		1,267	846
Trade notes and accounts payables		67	42
Tax, employment and social benefit liabilities		4	4
Liabilities related to non-current assets and related accounts		20	34
Other liabilities		26	24
Payables	**Note 4.2**	**1,383**	**950**
Accruals and prepaid income		**-**	**-**
TOTAL EQUITY AND LIABILITIES		**17,344**	**17,441**

INCOME STATEMENT

(in € millions)	Notes	31/12/2018	31/12/2017
Operating revenue (I)	**Note 5.1**	**5**	**30**
Other purchases and external expenses		(61)	(77)
Taxes, duties and similar payments		(1)	(2)
Wages and salaries		2	(7)
Payroll taxes		-	(5)
Additions to depreciation, amortisation and provisions on non-current assets		(2)	(2)
Additions to contingency and loss provisions		(2)	(3)
Operating expenses (II)		**(64)**	**(95)**
Operating income (I + II)		**(59)**	**(65)**
Financial income from equity investments		1,734	644
Income from other securities and receivables related to non-current assets		355	369
Other interest and similar income		20	23
Releases of provisions and expense transfers		1	-
Net proceeds from disposals of marketable securities		2	18
Financial income (V)		**2,112**	**1,054**
Additions to depreciation, amortisation and provisions on financial assets		(17)	(12)
Interest and similar expenses		(494)	(347)
Foreign exchange losses		-	-
Net expense on disposals of marketable securities		(4)	(1)
Financial expenses (VI)		**(515)**	**(361)**
Net financial income/(expenses) (V + VI)	**Note 5.2**	**1,596**	**693**
Recurring pre-tax income (I + II + III + V + VI)		**1,537**	**628**
Net non-recurring income/(expenses) (VII + VIII)	**Note 5.3**	**19**	**106**
Income tax (X)	Note 5.3	36	(5)
Total income (I + III + V + VII)		**2,137**	**1,193**
Total expenses (II + VI + VIII + IX + X)		**(544)**	**(464)**
PROFIT OR LOSS		**1,592**	**730**

NOTES TO THE INDIVIDUAL FINANCIAL STATEMENTS

Detailed contents

Crédit Agricole Assurances S.A.'s purpose consists of acquiring equity interests in any form, administrating, managing, controlling and maximising the value of those equity interests, carrying out investment transactions, studies and more generally all financial, industrial, commercial transactions and transactions involving movable or immovable property, directly or indirectly related to the company's purpose.

The accounting period covers a 12 month period, from 1 January to 31 December 2018.

NOTE 1 Major structural transactions and material events during the period

- On 29 January 2018, Crédit Agricole Assurances issued 30-year subordinated securities to institutional investors totalling €1 billion. These securities are redeemable from the first call date (29 January 2028) and bear interest at a fixed annual rate of 2.625% until that date. This issue follows on from those carried out in 2014 and 2015 for the purposes of financing the early redemption of intragroup subordinated debt and fuelling the growth of its activities.
- Bancassurance partnership with Credito Valtellinese in Italy:
  - On 24 July 2018, Crédit Agricole Assurances announced a new strategic partnership in the life insurance business in Italy with Italian bank, Credito Valtellinese (CreVal). The partnership will give Crédit Agricole Assurances access to CreVal's distribution network for all investment products and certain death & disability products for up to 15 years through its Italian subsidiary Crédit Agricole Vita S.p.A. CreVal has a network of 412 branches serving almost 1 million customers.
  - As part of the deal, Crédit Agricole Assurances acquired the entire share capital of a Creval subsidiary, Global Assicurazioni S.p.A. in the fourth quarter of 2018. Global Assicurazioni S.p.A. was subsequently restructured to focus solely on the business related to the life and protection policies sold through the CreVal network and renamed Stelvio Agenzia.
  - To boost the partnership, Crédit Agricole Assurances acquired a minority 5% stake in CreVal's capital in July 2018.
- Acquisition by Crédit Agricole Assurances of additional stake in GNB Seguros:
  - In 2018 Crédit Agricole Assurances increased its stake in GNB Seguros from 50% to 75%. The remaining 25% share is held by Portuguese banking group Novo Banco.
  - The deal confirms Crédit Agricole Assurances's intention to continue growing its non-life insurance business in Portugal and to further consolidate its partnership with Novo Banco.

NOTE 2 Material subsequent events

Disposal of CA Life Greece

The sale contract signed on 7 July 2018 was sent to the regulator for final approval at the end of August. The sale to the buyer was halted on 21 January 2019.

NOTE 3 Accounting policies and principles

General principles

The annual financial statements for the financial year ended 31 December 2018 were prepared and presented in accordance with the accounting rules and methods of the 2014 French Chart of Accounts (regulation ANC n°2014-03 of 5 June 2014 modified by the regulation ANC n°2015-06 of 23 November 2015, ANC n°2016-07 of 4 November 2016, ANC n°2017-01 of 5 May 2017, ANC n°2018-01 of 20 April 2018 and n°2018-07 of 10 December 2018) in line with the principle of prudence and in accordance with the following basis assumptions:

- going concern;
- consistency of accounting methods between financial years;
- independence of financial years;
- and in accordance with the general rules for preparing and presenting annual accounts;

The basis method used to value items recognised in the accounts is the historic cost method.

Moreover, Crédit Agricole Assurances S.A. has applied Regulation no. 2015-05 on forward financial instruments and hedging transactions since 1 January 2017.

Intangible assets

Intangible assets are recognised at their cost of production less depreciation and amortisation since their date of completion.

The straight-line method of amortisation is applied over a useful economic life of 3-5 years.

Property, plant and equipment

Property, plant and equipment is shown at the acquisition cost less depreciation and amortisation since the date of acquisition. The straight-line method of amortisation is applied over a useful economic life of 3 years for IT equipment and 7 years for office equipment.

Long-term financial investments

The "long-term financial investments" heading includes:

- equity investments acquired or contributed (at their net book value) These securities are recognised at acquisition cost, including expenses.

  In 2018, CAA changed its accounting policy for acquisition costs to harmonise rules across the Group.

- accounts receivables linked to equity investments relating to loans granted to subsidiaries.

The impairments recorded on financial assets are due to the comparison of the value in use and the entry cost of these assets.

Unrealised capital losses are subject to depreciation and are not offset against unrealised capital gains.

Receivables and debts

Loans, other long-term receivables and debts are valued at their nominal value. Long-term receivables are, where applicable, depreciated in order to reflect their current value at the end of the financial year.

Marketable securities

Marketable securities are shown at their acquisition cost, at the end of the financial year, the cost of acquisition of marketable securities is compared with the book value (net asset value) in the case of SICAV and FCP and with the average market price of the last month of the financial year for other securities.

If there is an unrealised capital loss, a depreciation of the securities is recognised for the full amount of the capital loss.

Exchange difference

Accounts receivable and debts denominated in foreign currencies are translated into euro on the basis of the last exchange rate prior to the end of the financial year.

The differences resulting from this valuation are recorded as an exchange difference under assets (when the difference is an unrealised loss) or under liabilities (when the difference in an unrealised gain).

These accounts do not form part of the profit and loss.

A currency loss reserve must be created to mitigate unrealised losses, except when transactions executed in foreign currencies are paired with a symmetrical transaction intended to hedge against exchange rate variations, *i.e.* a forex hedge. Where this is the case, the currency loss reserve need only cover the unhedged risk.

Other equity capital

This includes debt with special terms attached, presented on the liabilities side of the balance sheet in an intermediate section named "Other equity capital".

These loans are valued at historical cost. The coupons represent financial expenses (the accrued coupons are recognised whether payment is deferred or not).

Issue expenses are spread out under P&L by amortisation up until the first date for exercising the redemption option.

The issue premium for such loans is not recognised, due to the perpetual nature of the issue. These debts are therefore recorded at their issue price.

Notwithstanding the PCG, which does not require the amortisation of the issue premium for this type of loan, the premium is amortised over a period starting from the issue date until the first optional redemption date.

Financing debts

The securities for which there is no contractual obligation to submit cash or another financial asset are as considered financing debts. These are perpetual subordinated securities and super-subordinated to securities.

Financial income and expenses

Financial income and expenses principally include:

- interests on loans taken out (expenses) and loans granted to subsidiaries (income); these interests being calculated in accordance with the contractual conditions of these,
- dividends and interim dividends received,
- coupons received (income) and, where applicable, realised capital gains and losses on the disposal of marketable securities (income or expenses).

Taxation

The company became part of the tax consolidation mechanism of Crédit Agricole S.A. on 1 January 2007.

According to the tax consolidation agreement between Crédit Agricole S.A. and Crédit Agricole Assurances S.A., the tax charge incurred by Crédit Agricole Assurances S.A. in respect of each consolidation period is the same as it would have been if it had been taxed separately.

NOTE 4 Balance sheet items

4.1 Long-term financial investments

GROSS VALUE OF LONG-TERM FINANCIAL INVESTMENTS

(in € millions)	Gross, 31/12/2017	Purchases and increases	Disposals and redemptions	Gross, 31/12/2018
Equity securities	9,573	282	(1)	9,854
Receivables connected with equity investments	6,497	100	(601)	5,996
Loans	333	60	(14)	380
Other financial assets	-	-	-	-
LONG-TERM FINANCIAL INVESTMENTS	**16,403**	**442**	**(615)**	**16,230**

The increase in equity securities stems mainly from capital increases carried out for various subsidiaries in the amount of €50 million, 2017 and 2018 price adjustments of €21.7 million for CA VITA securities, payment of an €80 million share dividend, the acquisition of Creditto Valtellinese, Stelvio Agenzia Assicurativa and Optisantis for €112.4 million and the 25% additional stake in GNB Seguros for €16.3 million.

Changes in "Receivables from equity interests" relate in the main to new redeemable subordinated loans of €100 million (including PREDICA for €60 million and La Médicale de France for €40 million). The reductions are primarily due to early redemptions of two redeemable subordinated loans of €300 million each granted to PREDICA.

Changes in "loans" relate chiefly to the granting of new subordinated loans of €30 million to CA Vita and €20 million to CACI Non Life, and a new €9.3 million senior loan to CACI. The reduction is primarily due to the repayment on maturity of a €10.05 million loan extended to Crédit Agricole Assurances Solutions, and a €3.5 million repayment against the CACI loan.

ASSETS IMPAIRMENT

(in € millions)	Provisions 31/12/2017	Additions	Releases, used	Releases, not used	Provisions 31/12/2018
Equity securities	186	-	-	-	186
Marketable securities	5	12	-	-	17
TOTAL IMPAIRMENT	**191**	**12**	**-**	**-**	**203**

The net book values shown at 1 January 2018 have been subject to impairment tests based on the increase in the value-in-use of the CAA Group insurance companies. The value-in-use is determined on the basis of the discounting of estimated future cash flows of cash-generating units as determined in the medium-term plans established for the Group's piloting needs.

The following assumptions were applied:

- estimated future cash flows: preliminary data mainly covering a three to five-year period established under the Group's medium-term plan;
- the equity capital allocated to insurance activities at 31 December 2018 complies with solvency requirements, taking into account the economic position of each entity in terms of subordinated debt;

- growth rate to infinity: 2%;
- discount rate: interest rates by geographical area are between 7.8% and 12.32%.

An impairment of €0.2 million on equity securities was recorded over the 2018 financial year.

For other shares, the net book values of the equity securities are the same at the end of 2018.

4.2 Receivables and payables by maturity

RECEIVABLES BY MATURITY

	Gross, 31/12/2018				
(in € millions)	1 year or less	more than 1 year and less than 5 years	more than 5 years	Total	Gross, 31/12/2017
Receivables connected with equity investments	65	890	5,421	6,376	6,829
Trade notes and accounts receivable	-	-	-	-	-
Other receivables	89	-	-	89	13
Prepaid expenses	-	-	-	-	-
TOTAL RECEIVABLES	**154**	**890**	**5,421**	**6,465**	**6,842**

Receivables connected with equity investments relate to purchases of subordinated debt issued by subsidiaries.

PAYABLES BY MATURITY

	Gross, 31/12/2018				
(in € millions)	1 year or less	more than 1 year and less than 5 years	more than 5 years	Total	Gross, 31/12/2017
Redeemable subordinated debt	57	-	3,300	3,357	3,375
Perpetual subordinated debt	2	-	730	732	1,053
Borrowings from and amounts due to financial institutions	353	681	233	1,267	846
Trade notes and accounts payables	67	-	-	67	42
Tax, employment and social benefit liabilities	4	-	-	4	4
Other debt	13	13	-	26	24
TOTAL PAYABLES	**495**	**694**	**4,263**	**5,452**	**5,344**

Subordinated debt is mainly subscribed by Crédit Agricole S.A. and Cariparma. Only two of them were marketed to institutional investors, for €2 billion.

4.3 Net asset value of marketable securities by type

	31/12/2018		31/12/2017	
(in € millions)	Inventory value	Net asset value	Inventory value	Net asset value
Shares	51	48	53	57
Bonds	700	702	800	813
UCITS	444	437	304	307
Real Estate Investment trusts	5	7	5	6
TOTAL	**1,199**	**1,193**	**1,162**	**1,184**

Crédit Agricole Assurances S.A.'s portfolio of marketable securities increased by €38 million compared to 2017. The increase stems primarily from the acquisition of UCITS (+46%) and the reduction in bonds (-12.5%). The "Marketable securities" heading on the asset side of the balance sheet, totalling €1,206 million, includes €7 million of accrued coupons not due.

4.4 Contingency and loss provisions

(in € millions)	Provisions 31/12/2017	Additions	Releases, used	Releases, not used	Provisions 31/12/2018
Provisions for litigation	-	1	-	-	1
Provisions for foreign exchange losses	-	-	-	-	-
Provisions for pensions	2	-	-	(1)	1
Provisions for tax	2	-	-	(2)	-
TOTAL CONTINGENCY AND LOSS PROVISIONS	**4**	**1**	**-**	**(3)**	**2**

4.5 Charges to be spread

(in € millions)	Gross, 31 December 2018	31 December 2017 Amortized amount	Addition and increase of exercise	31 December 2018 Net value
Issue expenses of perpetual bonds	8	2	1	5
Issue expenses relating to other bond loans	8	-	-	8
TOTAL CHARGES TO BE SPREAD	**16**	**3**	**1**	**13**

Issue expenses of perpetual bonds are spread out under P&L by amortisation up until the first date for exercising the redemption option.

Issue expenses relating to other bond loans are spread out under P&L by amortisation throughout the term of the loan.

4.6 Equity

COMPOSITION OF THE SHARE CAPITAL

At 31 December 2018, Crédit Agricole Assurances S.A.'s share capital was made up of 149,040,367 ordinary shares with par value of €10 each. It was 99.99%-owned by Crédit Agricole S.A.

Crédit Agricole Assurances S.A. does not hold its own shares.

CHANGES IN EQUITY

(in € millions)	Share capital	Share premium	Statutory reserve	Other reserve	Retained earnings	Net income/ (loss) for the year	Total equity
31 December 2016	**1,491**	**7,375**	**145**	**1**	**382**	**454**	**9,846**
Capital increase	-	-	-	-	-	-	-
Appropriation of income and dividend payments	-	-	4	-	189	(454)	(261)
2017 income	-	-	-	-	-	730	730
Interim dividend (year 2017)	-	-	-	-	-	-	-
31 December 2017	**1,491**	**7,375**	**149**	**1**	**571**	**730**	**10,315**
Capital increase	-	-	-	-	-	-	-
Appropriation of income and dividend payments	-	-	-	-	(482)	(730)	(1,212)
2018 income	-	-	-	-	-	1,592	1,592
Interim dividend (year 2018)	-	-	-	-	-	(569)	(569)
31 DECEMBER 2018	**1,491**	**7,375**	**149**	**1**	**89**	**1,023**	**10,126**

After noting that the net profit for the 2017 financial year was €730 million and that the profit carried forward was €571 million, the general meeting held on 3 May 2018 decided to allocate the total sum of 1,300 million as follows: €757 million to account for the interim dividend paid in February 2018 and €89 million to be carried forward. The final dividend was distributed in cash.

On 13 December 2018, the Board of Directors also decided to pay out an interim dividend for the 2018 financial year of €569 million, which was paid in cash on 24 December 2018.

The payment of the final dividend due in respect of the 2018 financial year will be proposed to the shareholders in cash at the general meeting on 18 April 2019.

4.7 Other shareholders' equity

(in € millions)	Value as of 31/12/2017	Issues	Accrued interests	Value as of 31/12/2018
Perpetual subordinated debt	1,745	-	-	1,745
TOTAL	**1,745**	**-**	**-**	**1,745**

NOTE 5 Income statement

5.1 Breakdown of revenue

The revenue of Crédit Agricole Assurances S.A. for 2018 is €0.3 million; this reflects re-invoicing of charges.

5.2 Net financial income

Net financial income was 1,596 million in 2018 compared with €693 million in 2017. This profit is mainly the product of dividends received from the subsidiaries of Crédit Agricole Assurances S.A.

5.3 Tax charge

(in € millions)	Pre-tax income	Tax due	Net income
Recurring income	1,537	36	1,574
Non-recurring short-term income	19	-	19
REPORTED INCOME	**1,556**	**36**	**1,592**

The profit on ordinary operations of Crédit Agricole Assurances S.A. is taxed at a rate of 34.43%.

There is no tax due, mainly because of the application of the parent-subsidiary regime for dividends (Article 145 of the French Tax Code) and the balancing payment from Crédit Agricole Assurances S.A. to Crédit Agricole S.A.

Pursuant to the rider to the 2015 fiscal consolidation agreement signed in 2015, a €36 million receivable was recognised in favour of Crédit Agricole S.A.

The taxable profit for the 2018 financial year is -€75.4 million, bringing the tax loss carryforward to €97 million.

5.4 Executive compensation

Crédit Agricole Assurances S.A. paid €81.6 thousand in compensation to members of executive bodies.

During the financial year, no advances or loans were granted to members of the administrative or management bodies, and no commitment was made on their behalf serving as a guarantee of any sort.

5.5 Auditors' fees

The amount of statutory audit fees paid in 2018 is included in the "other purchases and external expenses" item in the income statement. The net amount recognised in Crédit Agricole Assurances S.A.'s financial statements with respect to 2018 is presented in Credit Agricole Assurances' consolidated financial statements.

NOTE 6 Off-balance sheet items

Crédit Agricole Assurances S.A. granted two guarantees. The first was to New Reinsurance and the second was to RGA Americas Réinsurance to cover the possible collapse of CA Life Japan. These off-balance-sheet commitments amount to $AU 230 million, *i.e.* €142 million at 31 December 2018.

NOTE 7 Other information

7.1 Workforce

The Crédit Agricole Assurances S.A. workforce has been employed by Crédit Agricole Assurances Solutions since 1 April 2017. Crédit Agricole Assurances S.A. no longer has any FTE staff.

	31/12/2018	31/12/2017
Permanent contracts	-	70
Fixed-term contracts	-	4
Work-study contracts	-	3
Work-experience staff	-	-
Expatriates	-	2
Other	-	1
TOTAL WORKFORCE	**-**	**80**

7.2 Subsidiaries and shareholdings at 31/12/2018

	(in € millions)	(%)	(in € millions)		
Name and address	**Capital Equity**	**% owned Dividends received**	**Gross value of securities Net value of securities**	**Loans Security**	**Revenue Income**
PREDICA	1,030	100%	6,950	5,079	22,652
50-56 rue de la procession -75015 Paris	8,646	1,532	6,950	-	1,254
CALI EUROPE	127	94%	172	67	3,103
16 av Pasteur - L2310 Luxembourg	164	10	172	-	15
PACIFICA	333	100%	470	546	3,771
8-10 bd de Vaugirard -75015 Paris	676	119	470	-	166
SPIRICA	181	100%	218	142	1,013
50-56 rue de la procession -75015 Paris	253	-	210	-	12
GNB SEGUROS	15	75%	54	-	64
Av. C.Bordalo Pinheiro-1070-061 Lisbon - Portugal	31	3	54	-	7
VERT S.r.l	-	100%	-	-	-
Via universita 1 -43100 Parma - Italy	2	-	-	-	-
CA VITA	236	100%	658	258	3,528
Via universita 1 -43100 Parma - Italy	500	30	658	-	41
CA ASSICURAZIONI	10	100%	55	-	82
Via universita 1 -43100 Parma - Italy	27	-	30	-	-
CACI	84	100%	634	149	-
50-56 rue de la procession -75015 Paris	582	20	597	-	20
CALI JAPAN	45	100%	63	-	152
1-9-2 Higashi shimbashi, Minato- ku, Tokyo 105-0021 - Japan	73	-	63	-	12
CA LIFE	13	100%	131	-	12
45 rue Mistropolos&Pandrosou -10656 Athens -Greece	33	-	21	-	(2)
CREDIT AGRICOLE INSURANCE	6	100%	12	-	-
45 rue Mistropolos&Pandrosou -10656 Athens -Greece	5	-	5	-	-
LA MEDICALE DE FRANCE	3	100%	245	102	384
50-56 rue de la procession -75015 Paris	93	19	245	-	15
CREDIT AGRICOLE TU SA	16	100%	16	-	5
ul. Tęczowa 11 lok. 13, 53 – 601 Wrocław - Poland	9	-	16	-	(1)
CARI	12	100%	12	6	12
74 rue du Merl - L2146 Luxembourg	11	1	12	-	(2)
CREDIT AGRICOLE ASSURANCES SOLUTIONS	26	98%	26	-	451
16/18 bd de Vaugirard -75015 PARIS	16	-	26	-	(5)
CREDITO VALTELLINESE	1,917	5%	39	-	NC
Piazza Quadrivio, 8 -23100 Sondrio - Italie	1,493	-	39	-	1
Stelvio Agenzia Assicurativa S.p.A	-	100%	72	-	NC
Via Feltre 75 - CAP 20134 Milano - Italie	NC	-	72	-	NC
FI Venture FCPR	50	40%	20	-	-
47 rue Ponthieu 75008 Paris	49	-	20	-	(1)
Crédit Agricole Innovations et Territoires	10	10%	5	-	-
25 rur Leblanc 75015 Paris	8	-	5	-	(1)
OPTISANTIS	NC	77%	3	-	NC
33 rue de Bellissen 69340 Francheville	NC	-	3	-	NC

The information on capital, equity capital, revenue and profits for subsidiaries is based on the data at 31/12/2018, except for VERT S.R.L, Creditto Valtellinese (30/06/2018), CA Innovations et Territoires, Crédit Agricole Insurance, CA Life Japan (30/09/2018) and FI Venture FCPR (31/12/2017).

7.3 Consolidation

The accounts of Crédit Agricole Assurances S.A. and its subsidiaries are included in the consolidated accounts of Crédit Agricole Assurances Group. They are also included in the consolidated accounts of the Crédit Agricole S.A. Group, Crédit Agricole S.A being the parent company of Crédit Agricole Assurances S.A.

7.4 Deposit of the accounts

The financial statements of Crédit Agricole Assurances S.A. are filed with the Clerk of the Commercial Court of Paris.

REPORT OF THE STATUTORY AUDITORS ON THE ANNUAL FINANCIAL STATEMENTS

This is a free translation into English of the statutory auditors'report on the 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 management report and other documents provided to shareholders.

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 31 December 2018)

To the Annual General Meeting,

Crédit Agricole Assurances

50-56, rue de la Procession

75015 PARIS

Opinion

In compliance with the engagement entrusted to us by your annual general meetings, we have audited the accompanying financial statements of Crédit Agricole Assurances for the year ended 31 December 2018.

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 as at 31 December 2018 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 and Accounts 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 those standards are further described in the Statutory auditors' Responsibilities for the Audit of the Financial Statements section of our report.

Independence

We conducted our audit engagement in compliance with independence rules applicable to us, for the period from 1 January 2018 to the date of our report and specifically we did not provide any prohibited non-audit services referred to in Article 5(1) of Regulation (EU) N° 537/2014 or in the French Code of ethics (*Code de déontologie*) for statutory auditors.

Emphasis of matter

We draw attention to note 3 to the financial statements, which describes the change of accounting policy related to equity investments acquisition costs. Our opinion is not modified in respect of this matter.

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 risks of material misstatement that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, as well as how we addressed those risks.

We determined that there were no key audit matters to communicate in our report.

Specific verifications

We have also performed, in accordance with professional standards applicable in France, the specific verifications required by French law.

Information provided in the management report and the Other Documents 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 management report of the Board of Directors and in the other documents provided to the Shareholders with respect to the financial position and the financial statements.

We attest the fair presentation and the consistency with the annual financial statements of the information relating to the payment terms required by Article D. 441-4 of the French Commercial Code (*Code de commerce*).

Corporate Governance Report

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 (*Code de commerce*).

Concerning the information given in accordance with the requirements of Article L. 225-37-3 of the French Commercial Code (*Code de commerce*) relating to remunerations and benefits received by the directors 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 controlling and controlled companies. Based on these procedures, we attest the accuracy and fair presentation of this information.

Other information

In accordance with French law, we have verified that the required information concerning the purchase of investments and controlling interests has been properly disclosed in the management report.

Report on Other Legal and Regulatory Requirements

Appointment of the statutory auditors

PricewaterhouseCoopers Audit and ERNST & YOUNG et Autres were appointed as statutory auditors of Crédit Agricole Assurances by the annual general meeting held on 5 May 2008.

As at 31 December 2018, our two firms were in the 11th year of total uninterrupted engagement, which is the 5th year since debt instruments issued by the company were admitted to trading on a regulated market.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with French accounting principles and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 is expected to liquidate the company or to cease operations.

The Audit and Accounts Committee is responsible for monitoring the financial reporting process and the effectiveness of internal control and risks management systems and where applicable, its internal audit, regarding the accounting and financial reporting procedures.

The financial statements were approved by the Board of Directors.

Statutory Auditors'Responsibilities for the Audit of the Financial Statements

Objectives 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 from 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 of users taken on the basis of these financial statements.

As specified in Article L. 823-10-1 of the French Commercial Code (*Code de commerce*), our statutory audit does not include assurance on the viability of the company or the quality of management of the affairs of the company.

As part of an audit conducted in accordance with professional standards applicable in France, the statutory auditor exercises professional judgment throughout the audit and furthermore:

- identifies and assesses the risks of material misstatement of the financial statements, whether due to fraud or error, designs and performs audit procedures responsive to those risks, and obtains audit evidence considered to be sufficient and appropriate to provide a basis for his 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;
- obtains an understanding of internal control 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;
- evaluates the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management in the financial statements;
- assesses 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 his audit report. However, future events or conditions may cause the company to cease to continue as a going concern. If the statutory auditor concludes that a material uncertainty exists, there is a requirement to draw attention in the audit report to the related disclosures in the financial statements or, if such disclosures are not provided or inadequate, to modify the opinion expressed therein;
- evaluates the overall presentation of the financial statements and assesses whether these statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report to the Audit and Accounts Committee

We submit a report to the Audit and Accounts Committee which includes in particular a description of the scope of the audit and the audit program implemented, as well as the results of our audit. We also report, if any, significant deficiencies in internal control regarding the accounting and financial reporting procedures that we have identified.

Our report to the Audit and Accounts Committee includes the risks of material misstatement that, in our professional judgment, were of most significance in the audit of the financial statements of the current period and which are therefore the key audit matters that we are required to describe in this report.

We also provide the Audit and Accounts Committee with the declaration provided for in Article 6 of Regulation (EU) N° 537/2014, confirming our independence within the meaning of the rules applicable in France such as they are set in particular by Articles L. 822-10 to L. 822-14 of the French Commercial Code (*Code de commerce*) and in the French Code of Ethics (Code de déontologie) for statutory auditors. Where appropriate, we discuss with the Audit and Accounts Committee the risks that may reasonably be thought to bear on our independence, and the related safeguards.

Neuilly-sur-Seine and Paris La Défense, 20 March 2019,

The Statutory Auditors

PricewaterhouseCoopers Audit		**ERNST & YOUNG et Autres**	
Anik Chaumartin	Frédéric Trouillard-Mignen	Olivier Durand	Olivier Drion

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GENERAL INFORMATION

MEMORANDUM AND ARTICLES OF ASSOCIATION

CRÉDIT AGRICOLE ASSURANCES

A French public limited company (société anonyme) with share capital of €1,490,403,670 registered with the Paris Trade and company Register under number 451,746,077.

Registered office:

50-56, rue de la Procession, 75015 Paris - France

Telephone: (33) 1 43 23 03 33

ARTICLES OF ASSOCIATION

The articles of association of Crédit Agricole Assurances, amended on 10 September 2018, are reproduced in full below.

Article 1 – Form

The company was set up in the form of a simplified joint-stock company (société par actions simplifiée) under the terms of a private deed dated 15 January 2004.

It was converted into a public company (société anonyme) by unanimous decision of the Extraordinary General Meeting of Shareholders of 5 May 2008.

The company continues to exist for owners of existing shares and for shares created subsequently.

It is governed by the legislative and regulatory provisions in force and by these articles of association.

Article 2 – Purpose

The company's purpose in France and abroad is:

- to take minority and/or controlling shares, mainly in any insurance or reinsurance companies, to carry out research and analysis and to make any investments;
- to manage these holdings and investments; and to,
- forge and manage significant and long-lasting links of financial solidarity with mutual insurance and reinsurance companies.

All the above directly or indirectly in any form, notably through the creation of companies, new groupings, contributions, mergers, alliances, subscription, purchase or exchange of shares and other rights in any company, undertaking or legal entity already in existence or to be created.

The purpose of the company is also to:

- provide capital advances to ensure the development of companies in which it has a holding;
- provide any services of an administrative, financial or commercial nature and any technical assistance to any insurance or reinsurance company in which the company has a direct or indirect holding;
- and, generally, any financial, commercial, industrial, property and capital transactions directly or indirectly attached, in full or in part, to the above purpose or to similar or related purpose in order to promote its expansion or development.

Article 3 – Name

The company's name is: "CRÉDIT AGRICOLE ASSURANCES".

Article 4 – Registered office

The registered office is situated 50-56 rue de la Procession, 75015 PARIS.

It may be transferred to any other location in the same area department or a neighbouring area department by decision of the Board of Directors. This decision is subject to ratification by the next Ordinary General Meeting of Shareholders. The Board of Directors is thus authorized to amend the articles of association accordingly.

It may be transferred to any other location by virtue of a decision of an Extraordinary General Meeting of Shareholders.

Article 5 – Term

The term of the company remains 99 years from the date of its registration with the Trade and company Register, except in the case of early dissolution or extension.

Article 6 – Contributions

- Following the Extraordinary General Meeting of Shareholders of 18 December 2008, the share capital was increased by €108,454,030, in compensation for the contribution of the shares of the following companies: BES VIDA, BES Seguros, CAAIH, CARE, CARI, EMPORIKI Insurance and CALI Serbie. This contribution was remunerated by the allocation of 10,845,403 shares, each with a par value of €10 and a total issue premium of €650,724,180.
- Following the decision of the General Meeting of June 2010 offering shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 7 October 2010 of the final completion of the capital increase, the share capital was increased to €1,162,542,980.00 through the issue of 6,099,377 new shares of the same category, each with a par value of €10.

- Following the decision of the General Meeting of 19 June 2013 offering shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 1 August 2013 of the final completion of the capital increase, the share capital was increased to €1,240,569.500.00 through the issue of 7,802,652 new shares of the same category, each with a par value of €10.
- Following the Extraordinary General Meeting of Shareholders of 29 December 2014, the share capital was increased by €208,185,200 through a cash contribution of €1,542,027,776.40. This contribution was remunerated by the allocation of 20,818,520 new shares, each with a par value of €10 and a total issue premium of €1,333,842,576.40.
- Following the decision of the General Meeting of Shareholders on 28 April 2016 giving shareholders the option of receiving their dividends in shares, and the recognition by the Board of Directors on 27 July 2016 of the final completion of the capital increase, the share capital was increased to €1,490,403,670.00 through the issue of 4,164,897 new shares of the same category, each with a par value of €10.

Article 7 – Share capital

Share capital is currently set at €1,490,403,670 divided into 149,040,367 fully paid up shares of the same category, each with a par value of €10.

Article 8 – Form of shares

The shares are in registered form. The materiality of the shares results from their registration in the name of their holder or holders in accounts held for this purpose by the company under the terms and conditions provided by law.

At the shareholder's request, a certificate of registration shall be issued by the company.

Article 9 – Rights and obligations

1. Subject to the rights that may be granted to shares of different categories where created, each share entitles the holder to a portion of the profits and corporate assets in proportion to the portion of share capital it represents. It also entitles the holder to vote and to be represented at General Meetings, under the terms and conditions provided by law and the articles of association.
2. Shareholders shall only be held liable for company's losses up to the amount of their contributions. The rights and obligations attached to the share follow ownership of the share. Ownership of a share automatically entails adherence to the articles of association and to the decisions of the General Meeting.
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 in the share capital, 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 where necessary.

Article 1&0 – Disposal and transfer of shares

– I –

Securities entered in account shall be transmitted *via* transfer between accounts under the terms and conditions provided by law and subject, where applicable, to the provisions listed below.

– II –

Except in the case of transfer to a person appointed as director, any disposal in favor of a non-shareholder relating to full legal title, bare ownership or beneficial interest of shares, subscription and allocation rights must be submitted to the Board of Directors for approval in accordance with the terms and conditions set out below:

II – 1. In the event of planned disposal, the assignor must notify the company by extra-judicial document or registered letter with acknowledgement of receipt, indicating the first name, surname and domicile of the assignee, or the company's name and registered office in the case of a company, the number of shares it is planned to dispose of and the price offered.

The Board of Directors is bound to notify the assignor within three months whether it accepts or turns down the planned disposal. Failing notification within three months, it shall be deemed to have accepted.

The decision to accept must be taken by a majority of votes of the directors present or represented, with the assignor, if he/she is a director, abstaining from the vote. In accordance with the law and with these articles of association, at least half of the directors in office must be present.

No reasons need be given for the decision and, if turned down, it may not give rise to any form of claim.

The assignor must be notified by registered letter within ten days of the decision. Where the bid is turned down, the assignor shall have eight days to notify the Board whether he/she intends to proceed with the disposal.

II – 2. Where the assignor decides to proceed with the disposal, the Board of Directors shall be bound to have the shares acquired by shareholders or third parties, or by the company with a view to effecting a capital reduction within three months of the assignor notifying his/her decision to proceed with the disposal.

To this end, the Board of Directors shall notify the shareholders by registered letter of the planned disposal, inviting them to indicate the number of shares they wish to acquire.

Bids must be sent by the shareholders to the Board of Directors by registered letter with acknowledgement of receipt within fifteen days of receiving the notification. The Board of Directors shall distribute the shares offered between the shareholders in proportion to their equity interest and within the amount of their bids. Where applicable, undistributed shares shall be allocated by the drawing of lots-carried out by the Board of Directors in the presence of bidding shareholders or those duly called to attend – among as many shareholders as there remain shares to allocate.

II – 3. Where no bid is sent to the Board of Directors within the above-mentioned deadline, or where the bids do not encompass all of the shares offered, the Board of Directors may have the available shares purchased by a third party, with the Board of Directors responsible for ensuring that said third party is subject to the approval procedure specified in these articles of association.

II – 4. The shares may also be purchased by the company.

In this case, the Board shall convene an Extraordinary General Meeting of Shareholders to approve the repurchasing of shares by the company and the corresponding reduction in share capital. This meeting notice must be sent out sufficiently early to ensure compliance with the three-month deadline indicated below.

In all the above cases of purchase or repurchase, the price of the shares is set as indicated below.

II – 5. Where not all the shares have been purchased or repurchased within the three-month deadline following the notification of refusal to authorize the disposal, the assignor may make the sale in favor of the original assignee for those shares that he/she is free to sell, subject to any partial bids made as set out above.

This three-month deadline may be extended by order of the Presiding Judge of the Commercial Court ruling in summary proceedings to which the assignor and assignee have been duly called. This order is not open to appeal.

II – 6. Where the shares offered are acquired by shareholders or by third parties, the Board of Directors shall notify the assignor of the first name, surname and domicile of the purchaser(s).

The disposal price for the shares and the terms under which the sale of said shares is completed are set at the price offered by the assignee whose bid was turned down in line with the approval application received by the company. Failing agreement on the price, this shall be determined by an expert, in accordance with the provisions of article 1843-4 of the French Civil Code.

The expertise fees shall be borne equally by the assignor and the purchaser(s).

The company shall send the assignor or unapproved subscriber, by registered letter with acknowledgement of receipt, the documentation necessary to register the transfer of shares and their registration in the name of the purchasers appointed by the Board of Directors.

Where the interested parties fail to return this documentation to the company within 15 days from the sending, the transfer of shares in the name of the beneficiaries appointed by the Board of Directors shall be automatically registered through the signature of the Chairman of the Board of Directors or by a Chief Executive Officer and by the beneficiary, where applicable. The shareholder's signature is not required. The shareholder shall be advised within eight days of the shares being registered in the name of the purchaser and requested to contact the registered office to receive payment, which shall not accrue interest.

Where, after six months, the shareholder has not withdrawn payment to which he is entitled, the company has the option to transfer the amount to the Caisse des Dépôts et Consignations, after which it shall be discharged of its responsibility in this regard.

II – 7. The provisions of this article shall apply in all cases of disposal, either inter vivos or as a result of inheritance, liquidation of a marital estate, either free of charge or against payment, including in cases of disposal by public tender pursuant to a court ruling. These provisions shall also apply in cases of capital contributions, partial contributions of assets, mergers or splits.

II – 8. In the case of a capital increase in cash, the Board of Directors may decide, in order to facilitate the transactions, to exercise its right of approval on the issue of new shares to the non-shareholding subscriber rather than on the disposal of subscription rights.

The non-shareholding subscriber is not required to lodge an approval application; this shall be made implicitly upon receipt by the company of the subscription form. However, he/she must, where applicable, enclose with the form any and all supporting documentation for his/her acquisition of subscription rights.

The time frame prescribed by law and by the articles of association relative to the exercise by the Board of Directors of its right of approval shall run from the date of final completion of the capital increase.

Where approval is refused, the new shares subscribed by the unapproved third party must be repurchased under the above terms and conditions and time frame, at a price equal to the value of the new shares being repurchased, set at the issue price or, failing agreement on the price, by an expert under the terms and conditions provided by law.

II – 9. In the event of an allocation of this company's shares following the partition of a third-party company which hold shares in its portfolio, allocations to persons who are not already shareholders shall be subject to the approval set out in this article.

The plan to allocate shares to persons other than shareholders must therefore be submitted for approval by the company's liquidator under the terms and conditions set out in this article.

Where the Board of Directors fails to notify the liquidator within three months following the approval application, such approval shall be deemed to have been given.

Where the beneficiaries or a number thereof are refused approval, the liquidator may, within thirty days of the notification of refusal, change the allocations made in order to submit only approved beneficiaries.

Where no beneficiaries are approved, or where the liquidator has not changed his/her planned partition within the deadline stated above, shares allocated to unapproved shareholders must be purchased or repurchased from the company in liquidation under the terms and conditions set out above.

Where not all shares for which approval has been refused have been purchased or repurchased within the deadline stipulated above, the partition may be completed in accordance with the plan presented.

Article 11 – Board of Directors

The company is managed by a Board of Directors which has at least three members and at most eighteen members, subject to the exemptions provided by law.

The age limit for directors is 65. When a director reaches the age of 65, he/she will be deemed to have resigned at the end of the next Ordinary General Meeting of Shareholders.

During the existence of the company, directors are appointed or reappointed by the Ordinary General Meeting of Shareholders; however, in the event of a merger or split, they may be appointed by an Extraordinary General Meeting of Shareholders.

Where one or more directorships become vacant between two General Meetings as a result of death, removal or resignation, the Board of Directors may appoint one or more directors temporarily under the terms and conditions provided by law.

Directors may be removed at any time by the Ordinary General Meeting of Shareholders.

Their term of office is three years maximum and is renewable.

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 may not be elected to more than four consecutive terms.

A director's duties shall terminate at the end of the Ordinary General Meeting of Shareholders called to consider the accounts for the previous financial year that is held during the year in which such director's term expires.

One third of the seats of the directors appointed by the General Meeting of Shareholders (or the nearest whole number, with the last group adjusted as necessary) shall turn over each year at the Annual Ordinary General Meeting of Shareholders so that all seats turn over every three years.

Outgoing directors shall be selected by the drawing of lots for the first and second period of three years and then by order of seniority as director.

If the number of elected directors is increased, lots shall be drawn (if necessary and prior to the first Ordinary General Meeting following the date on which said directors assume their seats) to determine the order in which said seats will turn over. The partial term of the directors selected by the drawing of lots due to the increase in the number of seats to be filled shall be disregarded when determining whether they have reached the four-term limit.

The Annual Ordinary General Meeting of Shareholders may pay the Board of Directors a fixed annual amount for attendance fees, which is posted under operating expenses. The Board shall distribute these attendance fees between its members as it sees fit.

The Board of Directors may also pay exceptional compensation to directors under the terms and conditions provided by law.

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 – Deliberations of the Board of Directors

The Board of Directors shall meet as often as the interests of the company so require, upon notice by its Chairman, by any person authorized 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.

The Chief Executive Officer may request the Chairman to call a meeting of the Board of Directors to address a specific agenda. The Chairman is bound by requests addressed to him.

Meetings may be held at the registered office or at any other place specified in the meeting notice.

They may be convened by any means, in principle, at least three days in advance. Meeting notices shall indicate precisely which items shall be addressed, it being stipulated that once the Board of Directors'meeting has started the Board is free to discuss any point not explicitly listed on the agenda, in accordance with the law. If all of the directors so agree, notice may be given orally and need not be in advance.

The Board can only validly deliberate if at least half of its members are present.

Decisions are adopted on the basis of a majority vote of the members present or represented. The Chairman of the meeting shall have the casting vote.

Any director may grant a proxy, by letter, telegram, fax or email, to another director (or to the permanent representative of a director that is a legal entity) to represent him/her at a Board meeting.

Each director may only avail of one such proxy vote per meeting.

In accordance with the legal and regulatory provisions, the Rules of Procedure may provide, for decisions under its remit, that for the purposes of determining a quorum and majority, the shareholders that attend a Board by video conference or by telecommunications media permitting their identification and effective participation shall be counted as present at the meeting.

The Chief Executive Officer shall attend the meetings of the Board of Directors.

At the Chairman's request, employees in positions of responsibility in Crédit Agricole Assurances Group may attend Board meetings.

The directors and any individuals requested to attend Board meetings must exercise discretion with respect to any confidential information described as such by the Chairman of the Board of Directors.

An attendance sheet is kept and signed by all directors taking part in the Board meeting.

Minutes must be drawn up and copies or extracts of the deliberations shall be issued and certified in accordance with the law.

Article 14 – 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 in the company's purpose, the Board of Directors is responsible for all issues related to the company's operations and business.

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 purpose 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 carries out such controls and verifications as it sees fit.

Each director shall receive the information necessary to accomplish the Board's duties and may obtain all the documents from Executive management that he/she considers necessary.

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 15 – Chairmanship of the Board of Directors

The Board of Directors appoints one of its members as Chairman, for whom it determines the length of office and compensation. The Chairman must be a natural person and his/her term of office cannot exceed his/her term of office as a director.

The Board of Directors may elect one or more Deputy Chairmen from among its members, whose term shall also be established by the Board, but which may not exceed his/her (their) term of office as a director. It may also appoint a secretary, who may or may not be a director.

The Board of Directors may dismiss the Chairman at any time. Any clause to the contrary shall be deemed not to have been written.

In the event of the Chairman's death or temporary inability to attend, the Board of Directors may appoint a director to act as Chairman.

In the event of a temporary inability to attend, this appointment is made for a limited period and is renewable. In the event of death, it shall continue to be valid until such time as a new Chairman is elected.

The Chairman of the Board of Directors represents the Board of Directors. He/she organizes and directs the activities thereof and reports to the General Meeting of Shareholders on its activities. He/she is responsible for the proper operation of the company's bodies, and, in particular, ensures that directors are able to fulfil their duties.

When the Chairman reaches the age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

Article 16 – Executive management

The company's executive management may be placed under the responsibility of either the Chairman of the Board of Directors or another person appointed by the Board who holds the title of Chief Executive Officer.

The choice between these two methods of exercising executive management is made by the Board of Directors, which must notify shareholders and third parties in accordance with the regulatory conditions.

Decisions of the Board of Directors regarding the choice of method of exercising executive management shall be made by the majority of those directors present or represented. The option retained by the Board of Directors is valid for the period determined in the decision. After this period, the Board of Directors must discuss the methods of exercising general management.

Chief Executive Officer

The Chief Executive Officer may or may not be appointed from among the directors.

Where the Board of Directors opts to separate the functions of Chairman and Chief Executive Officer, it appoints the Chief Executive Officer, sets his/her term of office, determines his/her compensation and, where applicable, the limitations of his/her powers.

No one over the age of 65 may be appointed Chief Executive Officer. Furthermore, if a Chief Executive Officer reaches this age limit, he/she is deemed to have automatically resigned following the next meeting of the Board of Directors.

The Chief Executive Officer may be dismissed at any time by the Board of Directors. Where the Chief Executive Officer does not take on the functions of Chairman of the Board of Directors, his/her dismissal may give rise to the payment of damages, if the decision to do so is taken without sufficient grounds.

The Chief Executive Officer and Deputy Chief Executive Officers may be re-elected.

The Chief Executive Officer shall enjoy the broadest powers to act in all cases on behalf of the company. He/she exercises his/her authority within the limits of the company's purpose and subject to that authority assigned by law to Meetings of Shareholders and to the Board of Directors.

As part of the internal company organization, these powers may be limited by the Board of Directors. However, decisions of the Board of Directors that limit the Chief Executive Officer's powers are not binding on third parties.

The Chief Executive Officer 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.

Deputy Chief Executive Officers

On a proposal from the Chief Executive Officer, the Board of Directors may appoint one or more persons responsible for assisting the Chief Executive Officer, who shall have the title "Deputy Chief Executive Officer" (*Directeur général délégué*). The number of Deputy Chief Executive Officers may not exceed five. The Deputy Chief Executive Officers may be dismissed at any time by the Board of Directors On a proposal from the Chief Executive Officer.

The age limit applicable to the Chief Executive Officer also applies to Deputy Chief Executive Officers.

Where the Chief Executive Officer steps down from office or is unable to carry out his/her duties, the Deputy Chief Executive Officers shall retain their duties and powers until a new Chief Executive Officer is appointed, unless otherwise decided by the Board.

The Board of Directors determines the compensation of the Chief Executive Officer and of the Deputy Chief Executive Officers.

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.

The Chief Executive Officer or Deputy Chief Executive Officers may, within the limits set by the legislation in force, delegate such powers as they see fit for one or more specific purposes to any agents, even outside the company, taken individually or grouped together in Committees or commissions. These powers may be permanent or temporary and may or may not include the possibility of substitution. The delegations thus granted shall remain in full effect despite the expiry of the term of office of the person who granted them.

Article 17 – 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 reappointed.

The statutory auditors may act jointly or separately, but must submit a joint report on the company's accounts. They must submit their report to the Annual Ordinary General Meeting of Shareholders.

Article 18 – General Meetings of Shareholders

General Meetings of Shareholders are convened and held under the terms and conditions provided by law.

These meetings are held at the registered office or at any other venue as indicated in the meeting notice.

Except in the cases expressly provided by law, any shareholder has the right to attend General Meetings and to take part in deliberations, personally or by proxy, regardless of the number of shares held.

Holders of shares registered as provided for by law for at least three working days prior to the date of the General Meeting may attend or be represented at the Meeting with no prior formality, by providing proof of their identity.

This period may be shortened by decision of the Board of Directors.

Any shareholder may also cast a vote remotely in accordance with the legal and regulatory provisions.

The General Meeting shall be chaired by the Chairman of the Board of Directors or, in his/her absence, by the Deputy Chairman, where applicable, or by a director delegated by the Board of Directors; failing this, by a person appointed by the General Meeting. Where the Meeting has not been convened by the Board of Directors, the Meeting shall be chaired by the person or one of the persons who convened it.

Ordinary and Extraordinary General Meetings of Shareholders acting in accordance with the quorum and majority requirements provided by law, exercise the powers granted to them by the legislation in force.

Minutes of meetings shall be drawn up and copies thereof shall be certified and issued in accordance with the law.

Article 19 – Financial statements – Determination, allocation and distribution of profit

The financial year begins on 1 January and ends on 31 December.

At the close of each financial year, the financial statements and notes are approved and drawn up in accordance with the legal and regulatory provisions in force.

Earnings for the financial year include income for the financial year as recorded on the balance sheet, less general expenses, wages and salaries, reserves and provisions of any nature prescribed by legislation regarding insurance, depreciation of the company's assets and any provisions for risks.

An amount shall be taken from the distributable earnings as determined in accordance with the law and recorded by the Annual Ordinary General Meeting of Shareholders after approval of the financial statements, to be carried forward or allocated to any general or special reserve fund, as decided by the Ordinary General Meeting of Shareholders.

Where there is any balance, this shall be paid out in proportion to the shares held.

The Meeting may also take any amount from the reserve funds at its disposal to make distributions to shareholders, unless the items from which such amount may be taken is expressly indicated. However, dividends are taken as a matter of priority from the distributable earnings for the financial year.

Excluding the case of a capital reduction, no distribution shall be made to shareholders where equity falls or would fall as a result of such distribution below the amount of equity plus any reserves the distribution of which is prohibited by law.

The Ordinary General Meeting of Shareholders may grant each shareholder the option to take payment of all or part of a dividend or to take an interim dividend in cash or shares in accordance with the law.

Article 20 – Dissolution – Liquidation

The company is in liquidation from the moment of its dissolution on any grounds whatsoever, excluding a merger or split.

The Meeting shall determine the liquidation procedures and shall appoint one or more liquidators whose powers it shall determine and who shall exercise their powers in accordance with the law.

Any equity remaining after the par value of shares has been reimbursed shall be distributed among the shareholders in the same proportions as their holding in the share capital.

Article 21 – Disputes

Any disputes arising during the term of the company or during its liquidation, either between the company and its shareholders or between the shareholders themselves, shall be subject to the jurisdiction of the competent courts.

INFORMATION ON THE COMPANY

ACQUISITIONS MADE BY CRÉDIT AGRICOLE ASSURANCES OVER THE PAST THREE YEARS

Completed acquisitions

No major acquisitions were made during 2016 and 2017.

Acquisitions in progress

No new acquisitions were announced after the end of 2018 for which the management bodies have already made firm commitments.

Date	Investment	Financing
26/07/2018	Finalisation of the acquisition of 5% of the capital of Credito Valtellinese S.p.A.	These three acquisitions were financed from our own resources.
20/12/2018	Finalisation of the acquisition of Global Assicurazioni S.p.A.	
21/12/2018	Finalisation of the acquisition of 25% of the capital of GNB Seguros, bringing the total ownership of Crédit Agricole Assurance to 75%.	

NEW PRODUCTS AND SERVICES

The entities of Crédit Agricole Group regularly offer new products and services to customers. Information is available on Crédit Agricole Group websites, especially through press releases on the website www.ca-assurances.com.

MATERIAL CONTRACTS

Neither Crédit Agricole Assurances nor its subsidiaries have entered into any material contracts with third parties, other than those entered into in the normal course of business, which could give rise, for the Group as a whole, comprising Crédit Agricole Assurances and its subsidiaries, to a right or commitment with a significant impact on the issuer's ability to fulfil the obligations arising from the securities issued towards the securities'holders.

However, there are major agreements binding Crédit Agricole Assurances, its subsidiaries and Crédit Agricole Group in terms of their business relations. These agreements are set out under related-party disclosures in the consolidated financial statements.

SIGNIFICANT CHANGES

The financial statements at 31 December 2018 were approved by the Board of Directors at its meeting of 6 February 2019.

There have been no significant changes in the financial position or business operations of the company and Crédit Agricole Assurances Group since 31 December 2018, closing date of Crédit Agricole Assurances financial statements.

PUBLICY AVAILABLE DOCUMENTS

This document is available on the websites of Crédit Agricole Assurances (http://www.ca-assurances.com/en/investors).

This document, including Crédit Agricole Assurances'financial statements, Report on Corporate governance and management report, is filed with the Registrar Office of the Commercial Court of Paris.

All regulated information as defined by the AMF (in Title II of Book II of the AMF's general regulations) is available on the company's website: http://www.ca-assurances.com/en/investors.

The articles of association of Crédit Agricole Assurances are reproduced, in full, in this document.

PERSONS RESPONSIBLE FOR THE REGISTRATION DOCUMENT AND AUDITING THE FINANCIAL STATEMENTS

PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

Frédéric Thomas, Chief Executive Officer of Crédit Agricole Assurances.

STATEMENT OF THE PERSON RESPONSIBLE FOR THE REGISTRATION DOCUMENT

I hereby certify that, to my knowledge and after all due diligence, the information contained in this registration document is true and accurate and contains no omissions likely to affect the import thereof.

I hereby certify that, to my knowledge, the financial statements have been prepared in accordance with the applicable accounting standards and give a true and fair view of the financial position and results of the Company and all entities included in the consolidated group, and that the management report (whose corss-reference table can be found at the end of section 8 of this registration document) herewith provides a true and fair view of the business trends, results and financial position of the Company data and all entities included in the consolidated group, together with a description of the main risks and uncertainties that they face.

I have obtained a letter from the Statutory Auditors, upon completion of their work, in which they state that they have verified the information relating to the financial position and financial statements provided in this registration document and read the document as a whole.

Frédéric Thomas, Chief Executive Officer

Paris, 10 April 2019

PERSONS RESPONSIBLE FOR AUDITING THE FINANCIAL STATEMENTS

The Company's statutory auditors are registered as auditors with the national auditing body (*Compagnie nationale des commissaires aux comptes*) and placed under the authority of the supervisory authority for auditors, (*Haut Conseil du commissariat aux comptes*).

Statutory auditors

Statutory auditors	Date of first appointment to office	Expiry of current term of office
PricewaterhouseCoopers Audit 63, rue de Villiers 92200 Neuilly-sur-Seine represented by Anik Chaumartin and Frédéric Trouillard-Mignen [(1)]	5 May 2008	2020 Annual General Meeting of Shareholders
Ernst & Young et Autres Tour First 1, place des Saisons 92400 Courbevoie represented by Olivier Drion et Olivier Durand [(1)]	5 May 2008	2022 Annual General Meeting of Shareholders

(1) Registered with the regional auditing body (Compagnie régionale) of Versailles.

Alternate Auditors

Statutory auditors	Date of first appointment to office	Expiry of current term of office
Patrice MOROT [(1)] replacing Eric DUPONT, resigning 63, rue de Villiers 92200 Neuilly-sur-Seine	10 September 2018	2020 Annual General Meeting of Shareholders
Abder Aouad [(1)] Tour First 1, place des Saisons 92400 Courbevoie	3 May 2018	2022 Annual General Meeting of Shareholders

(1) Registered with the regional auditing body (Compagnie régionale) of Versailles.

CROSS-REFERENCE TABLES FOR THE REGISTRATION DOCUMENT

CROSS-REFERENCE TABLE WITH KEY INFORMATION REQUIRED BY EUROPEAN REGULATION 809/2004

The cross-reference table below refers to the main headings required under regulation no. 809/2004 implementing Directive 2003-71/EC and to the pages of this registration document.

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(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 2016 and the corresponding statutory auditors'Reports, as well as the Group's management report, appearing respectively on pages 225 to 237 and 129 to 221, on pages 238 to 240 and 222 to 224 and on pages 10 to 128 of the Crédit Agricole Assurances registration document 2016 registered by the AMF on 25 April 2017 under number R.17-021.*
- *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 233 to 245 and 133 to 226, on pages 246 to 248 and 227 to 231 and on pages 11 to 132 of the Crédit Agricole Assurances registration document 2017 registered by the AMF on 9 April 2018 under number D.18-0303.*

CROSS-REFERENCE TABLE WITH THE INFORMATION REQUIRED BY THE AMF'S GENERAL REGULATIONS UNDER REGULATORY INFORMATION

Regulated information within the meaning of the AMF's general regulations contained in this registration document can be found on the pages shown in the cross-reference table below.

This registration document, published in the form of an Annual Report, includes all components of the 2018 Annual Financial Report referred to in paragraph I of article L. 451-1-2 of the French Monetary and Financial Code and 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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Pursuant to articles 212–13 and 221-1 of the AMF's general regulations, this registration document also contains the following regulatory information:

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CRÉDIT AGRICOLE
ASSURANCES

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